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East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2185

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CONTENTS

GERMAN DEMOCRATIC REPUBLIC

Minister on Brown Coal Mining, Resultant Population Dislocations
(Wolfgang Mitzinger Interview; TRIBUENE, 25 Aug 81) 1

HUNGARY

Reform's Wage System Not as Good as Expected
(Klara Szekffy; FIGYELO, 12 Aug 81) 4

Mehes Addresses Miners' Day Celebration in Szolnok
(Lajos Mehes; NEPSZABADSAG, 6 Sep 81) 9

Union Secretary Urges Increased Political Co-Option of Workers
(Gyula Virizlay; NEPSZAVA, 30 Aug 81) 13

Academician Summarizes Hungary's Position in World Economy
(Jozsef Bognar; NEPSZABADSAG, 20 Aug 81) 18

Official Analyzes 6th Five-Year Plan for Agriculture
(Ervin Zsuffa; GAZDASAG, No 1, 1981) 21

POLAND

Price Increases as Part of Economic Reform Supported
(Various sources, various dates) 31

Need for Price Reform, Zdzislaw Krasinski Interview
Immediate Price Increases Analyzed, by Andrzej Mozolowski

Continued Downward Economic Trend Indicated
(ZYCIE GOSPODARCZE, 30 Aug 81) 38

YUGOSLAVIA

Rotar Interviewed on Deficit in Foreign Trade
(Metod Rotar Interview; NEDELJNE INFORMATIVNE NOVINE, 9 Aug 81) 42

Kosovo Trade Union President Interviewed
(RADI 28 Aug 81) 47

Briefs
Energy, Food Plans for 1982 51
Railroad Cars 51
Bosnian-Kosovo Firms 52
Yugoslav-Iranian Trade 52
Yugoslav-Egyptian Trade 52

MINISTER ON BROWN COAL MINING, RESULTANT POPULATION DISLOCATIONS

East Berlin TRIBUENE in German 25 Aug 81 p 3

[Interview with Wolfgang Mitzinger, minister for coal and energy, at a recent TV press conference; the questions were posed by five journalists, including Joachim Blady for TRIBUENE: "A Program for Brown Coal in Hitherto Unknown Dimensions--Question on the Situation in the Brown Coal Industry for the Minister for Coal and Energy"]

[Text] [Question] How much brown coal is being mined in the GDR?

[Answer] Last year crude brown coal production was 258 million tons. The plan for the current year calls for the production of 262 tons. Fifty million tons of brown coal will be briquetted and distributed by coal trade organizations to households by 31 October. That, of course, will depend on whether our consumers will lay in adequate quantities of coal by the end of September when supplies at surface mines are largest and also when the needed transportation facilities are available.

[Question] The 10th party congress has set the task to prepare for the conversion of the entire economy to an as yet undetermined extent to the use of brown coal. What will this mean to the brown coal industry?

[Answer] It confronts us and the miners with the task of supplying even greater quantities of crude coal. Responding to the resolution of the 10th party congress the miners have adopted the socialist pledge to produce 6 million tons of crude coal in excess of the amount stipulated by the state plan and remove overburden for the mining of additional 3 million tons of brown coal. The result achieved by 31 July: The brown coal production goal set by the state plan was exceeded already by 3.4 million tons of crude coal and 29 million cubic meters of overburden were removed. Our coal miners deserve our thanks for the excellent result achieved in the socialist competition.

[Question] What proportion of our republic's overall primary energy supply does brown coal constitute?

[Answer] In 1979 brown coal accounted for 63.5 percent of the overall primary energy supply which this year will increase to 65 percent and by 1985 to 67 percent. Then, in accordance with the resolution of the 10th party congress production should amount to between 285 and 290 million tons of crude brown coal. But sooner or later every

coal deposit gives out. By the end of the five-year plan strip mines yielding 40 million tons will be depleted so that by that time we will have to open up new sources yielding 70 million tons by intensifying mining in existing surface mines and by opening up new deposits.

[Question] In the past it took up to 10 years to prepare for and open up new deposits. Can this process be accelerated?

[Answer] The fast pace of developing brown coal production forces us to find a solution also for this problem. Therefore, we have resolved to open up 50 new surface mines within a time span of 3 to 4 years. This has succeeded already in the case of the Delitzsch-Southwest strip mine whose opening took 4 years.

[Question] Our briquetting plants are rather old. Given this reality, how can their output be raised and working conditions improved?

[Answer] Not all are obsolete. One third of our coal briquetting capacity was established after 1949. But, of course, we also have coal briquetting plants in production which were established around the turn of the century and which are still producing good quality briquettes. Our task is to modernize them so that they meet new standards--primarily safety standards. Modernization will entail raising the output of these plants. This we have succeeded in doing from 15 to 25 percent. But these reconstructions were primarily also designed to improve the working and living conditions of workers in these plants.

[Question] The cost to the consumer of a quintal of briquettes does not amount to much. How much does their production really cost?

[Answer] It is the policy of the party of the working class to keep prices of basic necessities of life at a stable level. Coal briquettes belong to this category. If the citizens had to pay the actual cost of the briquettes they use they would have to more than double their present price.

[Question] What will happen to villages which will have to be razed to make room for new surface mines?

[Answer] This constitutes one of our most involved problems because it displaces people from their homes. Such procedures are governed by laws which are being strictly adhered to. It is not possible to bypass a village in stripmining. Before overburden can be removed site displacement regulations must be invoked. These stipulate that the necessary measures can be taken only in agreement with local councils. Every brown coal mining establishment has an office which will answer all questions citizens might ask. For example, people who insist on living in their own home will receive preferential treatment. All stipulations are designed to further the workers' welfare.

[Question] What happens to depleted strip mines?

[Answer] Strict laws are in force mandating recultivation. Cereal crops can be grown again on such recultivated land after a short period of time and early in the

process plans are drawn up jointly with local councils setting down what is to happen in every particular location. This is how Senftenberg lake, two and a half times bigger than the Mueggel lake in Berlin, came into being.

[Question] How long before our surface mincs are exhausted?

[Answer] The surface mines being opened up at present are expected to be productive as a rule till about 2020 to 2030. But this will not exhaust the brown coal deposits. Together with our geologists we are engaged in exploring the sites of new deposits which will be exploited by wholly new methods. In this way brown coal supplies will last us far into the 21st century.

8664
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REFORM'S WAGE SYSTEM NOT AS GOOD AS EXPECTED

Budapest FIGYELO in Hungarian 12 Aug 81 p 3

[Article by Klara Szekffy: "Experiences of Wage Regulation"]

[Text] How then has the new pricing system changed the scope for enterprise wage policy? Have the modifications introduced in January 1980 encouraged the development of a flexible, balanced enterprise wage policy? We sought an answer to this on the basis of a small scale survey of 13 enterprises prepared by the Labor Affairs Research Institute. Without exception the large enterprises participating in the survey work with a wage-bill regulation system which encourages the search for manpower reserves (at 9 units the possibility of increasing the wage bill is tied to enterprise performance and at 4 units it is tied to a central decision).

The enterprises surveyed deviated significantly from one another in 1980 on the basis of their production-marketing possibilities and realized profits but they implemented almost equal average wage increases by 4-6 percent.

The new elements of wage regulation intended to encourage flexibility and long range thinking (reserve formation, advanced wage development, relaxation of average wages, modification of wage rate items) were of only theoretical significance for the enterprises participating in the survey. Changes carried out in other areas of regulation and the concrete conditions of management held back their application.

One of the goals of the regulators was to strengthen normativity. The experiences of the enterprises show that movement is slow and limited. The interest relationships of those playing a role in the economy have not changed and so the modifications could have had little effect in advance. Beginning with 1 January 1980 it was not supports but rather withdrawals which came into the center of the bargaining connected with the regulator system and holding back normativity. This switch did not change the fact that the enterprises are not trying to meet a general standard but rather are trying to adjust the standard to individual conditions and thus they are still not forced to improve their activity.

Prices and Wages

This can be seen very well in the development of prices and wages. The switch to the new price base considerably changed the profitiability of the enterprises but the effects of this could be predicted only in part. Regulatory bargaining had a

strong effect even in the development of the new price system so it was not only differences in efficiency which influenced the initial profit levels. Postponing the introduction of the price mechanism for a quarter year also meant the permanent loss of a part of the enterprise profit since justified price increases could not be realized. Other measures serving to protect the domestic price level (for example, rate of exchange appreciation) and partial recognition of justified price increases (by the center) further decreased the possible volume of profit or limited the scope provided by the regulators. A survey done in the enterprise sphere shows that as a result of the decrease in profit the wage development index did not make possible the greater wage increases which could have been realized in the neighborhood of the upper limit of the zone without taxation. It is an example of the failure to recognize the uncertainty connected with the price system and its effect on profit and wage development possibilities that the supervisory organs "offered" their enterprises very moderate wage increases compared to the increase in the consumer price lvel and the tax-free wage development possibilities. One enterprise writes as follows about this: "Our supervisory organ considers a maximal wage level increase of about 6 percent acceptable for its enterprises."

According to the survey done at the 13 enterprises the experiences with the 1980 functioning of the price system, the deficiencies and compromises, meant that it was difficult to achieve even the planned increase in nominal wages while adhering to the prescriptions. The regulator system continues to contain the static characteristics of the system of planning; it conceives of development as rectilinear, as an even improvement in performance, and does not honor periodic, dynamic growth--which occurs more frequently in reality.

The Elements of Inflexibility

The enterprises working under conditions of wage-bill regulation object to the wage development index used. In the process of developing the regulator system--as is well known--they tried to tie the development of wages to an index with the aid of which one could on the one hand, relax the link between profit and wages and, on the other hand, decrease the effect of variations in profit on the development of wages. This led to the use of the added value index in which there are elements--of essentially unchanging size or ratio--in addition to profit. But the enterprises feel that the ratio of the elements which they cannot influence is excessively large. Frequently an unrealistic increase in profit would be needed to increase wages, to improve the wage development index. Experience also shows that the increase in profit deriving from an improvement in efficiency is not enough to realize an acceptable average wage increase while, as a result of the drop in domestic and foreign market demand, there is no possibility to increase profits by increasing production volume.

The enterprises also consider the norms for wage regulation too severe; in their opinion there is an attempt to realize the central will most strongly in this area, with strict prescriptions which go into details.

For a considerable number of enterprises the investments realized in preceding years hold back the realization of elements which would improve flexibility within wage regulation. The development decision, the weighing of credit assumption and the development of repayment conditions all took place under different economic

conditions so the enterprises must turn a large part of their profit and frequently of their reserves to making repayments. When putting new capacity into operation they must frequently increase personnel also, but wage-bill regulation encourages reductions in personnel. Due to both these factors--the limited wage development possibility due to credit repayments and the strong incentive to reduce personnel--a significant number of enterprises can feel a contradition between the requirements made by the regulators and the managemnet possibilities.

This contradiction caused confusion in a number of areas in our survey--for the enterprises participating in the Eocene program, in the press industry and in foodstuffs trade--because the moderated personnel increase makes the solution of their tasks dubious. They now want to solve this with new wage preferences, and it may be necessary to change the forms of wage regulation. Of course, the enterprise behavior reflects the effects of the economic environment and the wage regulation system is only one element of this--and not a determining one.

The Effect of Relaxing the Brake

Of the modifications introduced at the beginning of last year the most significant appear to be the relaxation of the average wage brake and the ability to use the wage bill saved by decreasing personnel for a 3 percent increase of the wage level. The previous 6 percent average wage brake held back differentiation. The "brake" made it impossible for some enterprises to make any considerable improvement in their position on the labor force market and it made this possible for others only at great cost. This limits modification of wage ratio distortions within the enterprise and, because of the wage ceiling, it makes it less possible to recompense outstanding performance.

Because of the average wage brake they could not use wages freed by the departure of workers to hold or provide incentive for manpower and so the enterprises did not make any great efforts to liquidate manpower surpluses. Increasing the "brake" from 6 to 9 percent resolves this rigidity somewhat but one cannot expect from this an elimination of the leveling of the wage level among enterprises. If the enterprises make use of the possibility of increasing the wage level given by a reduction in personnel--which is made possible by a reduction in personnel in most places--then the differentiation (between 3 and 9 percent) can still not be greater than

At the same time--as a result of market constraints and the functioning of the new price system--the ability to increase the wage level by improving the wage development index can be only moderate even with great efforts, so the majority of the enterprises remain well below the upper limit of the zone without taxation. With severe restrictions the enterprises can use their wage reserves for advanced wage development but--as we will see below--even those with favorable prospects are reluctant to do so. And the high tax deters them from raising the wage level above 9 percent, so wage development by the enterprises is limited to a relatively narrow zone. Differentiation between enterprises and within an enterprise is held back also by the fact that in a period of price level increases and real wage reductions there is a significant increase in worker resistance to any attempt to differentiate wages. The enterprises are continuing to use the method of "backward planning" under the increasingly difficult economic conditions and one of them is planning to increase production to achieve even the wage development accepted by the enterprise collective (if the market will accept it).

In those areas where the manpower reduction is greater than the average those striving to increase wages object to the 3 percent use limit. At the same time we occasionally find an opinion according to which the reserves which can be mobilized are slowly being exhausted. There will probably be an increasing number of those who will be reaching the limit of the "buffer" reserve which is necessary to carry out their changing production tasks and overcome the difficulties deriving from their production-trade contacts. With the "hardening" of this limit there will be an end to the incentive meaning of and wage development possibility deriving from the discovery of reserves--if we conceive of reserves as static.

Antipathy to the Reserve

The central intent in regard to the possibility of generating wage reserves was to weaken the base view and permit the development of a longer range enterprise wage policy. On the basis of the experiences of the past year the enterprises feel that this element of regulation increases their freedom of movement only in theory. Because of the moderated wage level increase possibility there is nothing to save, and they have no interest in doing so. They see the chief contradiction in the fact that while they have an opportunity to generate a wage reserve there are severe restrictions on the magnitude and rate of use. Thus, in our opinion, the real function of the wage reserves is strict control of the wage level and thus of buying power.

At present deviating regulations apply to the wage reserves generated before 1980 and those generated after 1980. The declared reason for the very meticulous, strict regulation is that the size of the wage reserves not only reflects the efficiency differences between enterprises but also, for reasons independent of the enterprise, would lead to deviating wage differences the free use of which is not justified.

Prior to 1980, in many cases, it was not possible to realize economically justified wage increases because the prescriptions of wage regulation encouraged this--and they "had" to generate a wage reserve. The prescriptions which went into effect in 1980 attempted a deliberate whittling down of accumulated wage reserves. (They could be used with conditions which, in general, were met only by enterprises which were worse or weaker than the average.) The ability to mobilize the reserves is also held back by the fact that the generation possibility is "more strict" so frequently the enterprises get into a situation where, lacking a reserve appearing in the wage level, they cannot mobilize their reserves appearing in the wage bill. A few enterprises can bridge over this by using to increase personnel the wage bill which cannot be used to increase the wage level.

Resistance to reserve generation is rather general because of the limits on use. The enterprises are also uncertain because the wage reserves generated in 1976 and in 1978 were withdrawn in 1979, citing the difficult situation of the people's economy. So, above a certain limit, they do not generate reserves in advance. Some enterprises cite the following argument against the reserve system: In the interest of maintaining and improving their position they are striving to achieve a high earnings level, so they are making a maximal effort to exploit all possibilities to increase the wage level. They generate reserves only if, for some reason, they do not assume the burdens of greater wage increases. The workers also are demanding ever fuller exploitation of the possibilities to increase wages.

An examination of the monthly development of average wages shows that the enterprises have been very cautious in increasing wages. Nominal wage increases have been very moderate in the first half of the year but in the last quarter, including December when they had more reliable information about the development of profits, they carried out large wage increases and tried to exhaust the wage development resources. (See the graph!)

It is a well known phenomenon that at the end of every year--in the interest of fulfilling the plans--overtime and greater performance cause an outflow of wages. But at the end of 1980 there was a greater than average wage increase and what lay behind this phenomenon was primarily an attempt to exploit as fully as possible the wage development possibilities. The reservations in regard to the wage reserve system also played a role in the great year-end jump.

An Expensive Advance

The enterprises consider advanced wage development to be the weakest part of wage regulation. This element does not increase the flexibility of decisions and it is not an organic part of wage regulation as a whole. The conditions under which it can be used are complicated and excessively strict. According to its declared purpose it is intended the aid those enterprises which are struggling with a temporary decline. But it cannot be used in two consecutive years and it reduces wage development for the year following the year in which it is used. This condition in itself limits the sphere of enterprises making use of advanced wage development and some of the changes which reduce the possibilities for increasing wages--changing the product structure, technological reorganization, changing markets, etc.--do not run their course in a single year or rarely result in a significant increase in profit (and wages) in the second year. Thus advanced wage development can overcome only the one-time problems (reorganization, temporary business cycle changes) of a dynamically developing enterprise while the majority of enterprises are much more likely to be in a period of seeking paths, struggling with lasting business cycle difficulties. The tax burdens on wage advances are large also--a 100 percent payment obligation applies to both the wage bill and the wage level. Since it considerably decreases the profit level and this smaller profit continues to be burdened with the same payment obligations there are few enterprises capable of undertaking the great tax burdens out of a shares fund which is a good bit smaller than in preceding years. And, finally, making use of advances is held back by the limited foresight of the enterprises; they consider the market situation and changes in the regulators to be unforeseeable.

Wage regulation is generally criticized for its complex formulation, which has frequently caused misunderstanding and difficulties in interpretation. From the viewpoint of preparation for the next economic period the new decrees and prescriptions are made public too late, and this prompts the enterprise leaders to build up superfluous reserves and postpone decisions.

8984
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MEHES ADDRESSES MINERS' DAY CELEBRATION IN SZOLNOK

Budapest NEPSZABADSAG in Hungarian 6 Sep 81 p 3

[MTI report: "Miners' Day Rally in Szolnok; Speech by Lajos Mehes"]

[Text] Celebrations organized on the occasion of the 31st Miners' Day were held throughout the country on Saturday.

The central celebration took place in Szolnok, the center of the Great Plain oil industry. More than 1,200 workers, representing coal, oil, ore and mineral miners, participated in the great rally in the banner decorated sport hall in Tiszaliget. Lajos Mehes, minister of industry and member of the Political Committee of the MSZMP, and Sandor Jakab, deputy first secretary of the SZOT [National Council of Trade Unions], took a place on the presidium and those present included heroes of socialist labor and leaders of party, state and social organs of the megye and city. After the singing of the National Anthem the rally was opened by Aladar Papa, director general of the Great Plain Petroleum and Natural Gas Producing Enterprise, and then a speech was given by Lajos Mehes.

In his introduction he greeted those participating in the rally and all members of Hungarian mining society in the name of the Central Committee of the Hungarian Socialist Workers Party and the government. As he said: "Today the Hungarian working people greet that stratum of the worker class which has won, with its sacrificing diligence, expertise and exemplary behavior in the struggle to build a developed socialist society, the sincere and great respect of our socialist homeland, our people and our nation." With words of reverence he spoke of those miners who sacrificed their lives in the struggle with nature, in work which demands hard diligence, of the martyrs of the Hungarian and international mining society.

Together--With the Workers of Other Branches of Industry

"When we speak of the respect for the miners," Lajos Mehes then said, "we are also always speaking, expressly and in thought, of a feeling of belonging together. This is a trade which has long been characterized, by the very nature of the work, by working together, by depending on one another, by responsibility for one another and by watching out for one another. Out of these smaller or larger communities working together there have developed the best of the work groups, the leading socialist brigades which follow and make their own the principles and practice of this magnificent movement on the job, in public life and at home alike. When I greet, with the

special respect due those at the forefront, the members and leaders of the socialist brigades, thus the masters of their trade, I wish them further successful work.

"It is a beautiful tradition that at such times their fellow workers celebrate together with the miners, as the strongpoint of the worker class, and this affinity manifests itself not only today and not only at celebrations. In the course of history miners, foundrymen, iron workers and the workers of other trades have struggled together against exploitation for a life worthy of human beings. It is due to this uniting of them that the great mining-foundry-iron industrial regions have always been strongholds of revolutionary ideals.

"It is a new aspect of this year's Miners' Day," the minister pointed out, "that after more than three decades the 'family members' belonging to one industrial ministry are again celebrating together. It is our aspiration to make use of the advantages of this united organization for the benefit of the worker class, to see that the miners producing the raw material and the foundrymen, power plant workers, chemical workers, machinists and those working in light industry and other industrial branches, who process their product, should work in a closer unity then heretofore for the realization of our common goals.

"It is a key question of party policy," he then emphasized, "that we must strive with all our strength to preserve what we have achieved in regard to the standard of living. A significant factor in this is how we make use of our domestic raw material resources and how we manage the energy at our disposal." He said that during the past five-year plan mining achieved significant results, thus laying the foundations for the Sixth Five-Year Plan. As the result of prospecting in hydrocarbon mining the petroleum and natural gas reserves increased by 36-37 million tons; in the first 4 years they succeeded in finding the 30 million tons prescribed for the plan period. Test drilling activity has been further modernized and substantially more wells have been sunk with less equipment to increasing average depths. The industry overfulfilled the 10.4 million ton prescription for petroleum production by 200,000 tons and in 5 years made available to the economy, primarily to the populace, about 3 billion cubic meters of natural gas above the plan."

The Need for Coal is Increasing

Speaking of future tasks Lajos Mehes emphasized that hydrocarbon production must be kept up to level in the Sixth Five-Year Plan. This is no small task because it means that we must find new exploitable reserves equivalent to 35 million tons of petroleum and must produce 2 million tons of petroleum and 6 billion cubic meters of natural gas per year. Recognizing this great task the workers of the branch have begun to realize the plan. In the first half of this year they overfulfilled by almost 6 percent the test drilling plan which lays the foundations for the future and produced 1,000 tons more petroleum and 73 million cubic meters more natural gas.

"Coal mining," the minister continued, "provides almost half of domestic fuels production. Due to the increase in world market prices this production is increasingly profitable so we are striving to reduce imports and make increased use of domestic coal. With further mechanization of working mines and better exploitation of their capacity we can satisfy the quantitative needs of consumers with coal production of about 25-26 million tons per year. The Sixth Five-Year Plan prescribes for coal

mining an annual production of 25-26 million tons. This corresponds to the previous 5-year level and at first glance it does not appear to be too great a task. But when we consider that the old mines are being quickly exhausted in a few of the historical basins, primarily Tatabanya and Dorog, even maintaining the level will require great diligence. To supplement the mines which are being exhuasted we will put one new mine in operation in Oroszlany and one in Tatabanya one year earlier as compared to the program.

"The biggest change in use is that in recent years the coal needs of the populace have been slowly but constantly increasing. The mines were not prepared for the production of good quality coal on this scale and, because of the preponderance of production of power plant coal, they did not turn sufficient care to enrichment, purification and briquette manufacture. Thus, while we are now at the world level in supplying the populace with electricity, gas and fuel oil the supply of coal, briquettes and coke to the populace leaves something to be desired. Supplying coke for our foundries and steel mills requires significant imports. For this reason the government decided to develop the Mecsek mines, the only basin in our homeland which produces cokable coal."

Care for the Miners

The minister also spoke of improving the living and working conditions of miners: "We have the obligation to care many ways for the creative human being, for the miner. This was indicated by the congress resolution when it made possible the favored construction of 10,000 miners' dwellings. In the course of the plan cycle we can build housing for 6,200 coal miners, 900 uranium miners, 450 shaft sinkers and 450 ore and mineral miners. Increased protection of the creative human being prompted our party and government to shift to the 5 day work week in mining, among the first This happened in many plants on 1 July. With today's celebration the loyalty bonus for oil miners working at changing work sites goes into effect. These measures, mentioned as examples, and every other technical and social policy act must serve the goal of having the miners live under the living and working conditions which they have earned by their sacrificing diligence."

In conclusion Lajos Mehes wished every member of Hungarian mining society much success in their work, strength and health and joy and happiness in their individual and family lives and he concluded his speech with the centuries old miners' greeting: "Good luck!"

After his speech Lajos Mehes handed out decorations; 40 received the gold degree of the Mining Service Medal or the ministerial decorations for Outstanding Miner and Outstanding Work. The central miners' day rally ended with closing words by Robert Vandorffy, director of the Petroleum Prospecting Enterprise.

As one spectacular event of the holiday programs they dedicated the jubilee square in Dorog honoring the 200th anniversary of local mining and the 800th anniversary of the settlement. In the center is a stylized model of a mineshaft made out of concrete, the work of sculptor Ferenc Arvai. Also in Dorog they dedicated the shaft tower of a mine no longer operating as a memorial to the mining settlement, on Kalvaria Hill. A mining memorial was unveiled in Anna Valley and on the occasion of the holiday they handed over the renovated and enlarged Attila Jozsef Culture House

in Dorog, the largest cultural institution in the coal basin. At the Tatabanya mines they commemorated the victims of the 1919 police massacre and the revolutionary struggles of the miner forebears.

The miners of Salgotarjan, Kazar, Matranovak, the Rakoczi mine and Doroghaza celebrated jointly at Nagybatony and 340 of them received decorations. Those at Nograd also had Soviet, GDR, Polish and Czechoslovak miner guests. In Tapolca, the center of domestic bauxite mining, Istvan Soltesz, deputy minister of industry, greeted the celebrants at a rally held in the mining further training institute. Also in Tapolca they dedicated a museum which exhibits historical mementos of bauxite mining.

In Kincsesbanya they celebrated miners' day be dedicating a mine. Production began on Saturday in the newest unit of the Fejer Megye Bauxite Mines Enterprise, the Bitto II bauxite mine built as a state large investment. In Pecs they opened the first exhibit of the underground mining museum; the exhibit is called "The World of Stone." In the evening there was a torchlight parade of miners to Cserteto where they laid a wreath on the miners' monument. There was also a wreath laying in Komlo at the monument to miner martyrs.

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UNION SECRETARY URGES INCREASED POLITICAL CO-OPTION OF WORKERS

Budapest NEPSZAVA in Hungarian 30 Aug 81 p 3

[Article by Gyula Virizlay, Secretary of the National Council of Trade Unions: "On Improving the Work of the Trade Unions"]

[Text] The trade union movement is an important factor and social force in the construction of a socialist society. Thus it is only natural that there is an increasing demand for qualitative improvements in the work of the trade unions.

This is one of the reasons why the next period will be such a significant test of strength for the trade unions in their efforts to carry out their mission with better quality. While the rights are there at every level, it is not easy to exercise them. Exercising these rights during a "calm" and consolidated period is not the same as asserting them during a period when important measures have to be decided on and put into effect.

Quality Requirements

The trade union movement is capable of recognizing social demands and efforts and of determining their order of priority, but is also able to work increasingly harder toward satisfying them. Trade union work of satisfactory quality is not something to be left up to the individual to decide for himself "whether he wants to do it or not". It is a requirement which takes more than just good intensions: it calls for action, clear and decisive action. In order to do quality work, naturally we must also ensure that we have the proper circumstances and conditions. It is clear and understandable, that proper guidance, control and assistance can only be provided through a combination of realistic resolutions or guiding principles, well-timed direction with substance, high-quality verbal and written information and personal conversations. Quality work requires an ability to think, to analyze, to recognize interrelationships, a determination to be firm, talent to sense and perceive the workers' thoughts, in other words, skill and a gift for leadership.

Naturally, it is not easy to work, think and keep several various considerations in mind this way. This is precisely why the quality of union work today has been often inconsistent. Moreover, if management is not sufficiently thorough and consistent, then "relaxation" may turn into a kind of harmful work practice. Life, the demands and tasks associated with trade union work have also been undergoing dynamic changes; so much so, that we must constantly reword our arguments, and repeatedly and critically review our methods. If we fail to do this, we find that our efforts and our attempts to modernize are often ineffective. At the same time, self-examination also gives us a sense of security and self-confidence in performing our tasks.

Another condition for maintaining the quality level of work is to ensure that our trade unions approach and judge every question within their domain in accordance with their specific mission. We are serving the same cause as our government, and our interpretations of our fundamental goals are identical. Still, we must look at the agenda of implementation, the various measures and their effects from a slightly different point of view. This unique approach of the trade unions is a manifestation of, and is in connection with the everyday functioning of power. It also expresses a continuous social reaction, which is alwyas fresh and realistic, and which are not bound by formalities.

Trade union work must also avoid chasing numbers. As a result of the large number, and often poor quality of measures, the implementation of resolutions have frequently led to a cover-up of many deficiencies. This includes everything, starting from the way we interpret the resolutions of our higher organs, the way we adapt them and utilize them in our work, and in general, the extent to which we take those resolutions seriously. In some areas these resolutions still do not enjoy the kind of reputation they need to have, causing delays and sluggishness in their implementation right from the outset, and often even after that. Protracted, time-comsuming conferences and long drawn-out speeches are among the "great enemies" of efficient work.

It is a long established truth, that it is more difficult to speak succinctly, factually, concisely and clearly than it is to paraphrase or repeat something. Many believe, that the importance, the logic, the conciseness and enjoyability of a given speech largely depends on the qualifications of the presenting official. And if this is indeed true, then this problem must be viewed as something which hinders the quality of trade union work. This, too, can and must be remedied.

These are not unfamiliar ideas, since for years now we have been telling and promising one another that we are going to make changes, although unfortunately there have been only very few improvements and changes made. I believe that on this point it is especially worthwhile to appeal to the individual responsibilities of our leaders. When weighing the abilities and work achievements of a leader, we must also determine whether he is able to improve the performance quality of the organization under him to meet the requirements of our times and of the tasks facing us today. If he is not, then no spectacular statements or reports are going to change the fact, that the quality of his work is still not up to standard.

Possibilities of Educational Work

In order to improve the performance quality of trade union work, we must pay closer attention than before to education, to socialist values and behavior to ways of changing peoples' consciousness and to public thinking. We are building an advanced socialist society, therefore we must achieve a permanently higher level in all areas, including economic, political and social matters. Economic development is a complex qualitative task which only man can solve. Socialist construction requires not only working hands, but also our heart, our brain, our head, our faith and our initiatives. Socialist construction requires not only that we be guaranteed certain rights, but also that we fulfill some obligations in order to achieve a higher standard, which will eventually "pay off" by enabling us to provide similarly high quality in meeting various demands.

Lenin had recognized the man-forming and character building effects of revolutionary change and self-transformation. The classics had emphasized that the socialist man, the socialist character, is not a kind of ideal which possesses certain clearly defined human characteristics that are detached from reality. No! The building of a socialist man is actually a process, a condition under which individual abilities can assert themselves. In a developed socialist society we are able to pay attention to the most fundamental interests, efforts and demands of our workers, and combining them with our common basic interests, to funnel them unto a unified course. The development of our society has opened up increasingly broader prospects for the development and evolution of the individual, and has provided a growing number of ways for him to express and to work actively--within the community!--toward fulfilling his interests and wishes. As a result, there are growing signs that our country's social outlook and social conditions are becoming determined by increasingly more advanced socialist phenomena, human characteristics and community values, which is an indication of our future, i.e., that we are on the right path toward achieving our goal. Educating people in this direction takes considerable time and effort.

We want more people to understand our policies, and we want them to work increasingly harder to ensure that those policies are successfully implemented. And this is not easy. Education and refinement is a process. Man's personality develops throughout his entire life time: it becomes fuller, richer, stronger and more perfect. We have always known that knowledge is power and that simple-minded and obstructive thinking serves no one's interest. Our goal is to transform our workers into warriors who consider their struggle for society and humanity to be their primary responsibility; this challenge, however, can only be met by those who understand life, the world and politics. Schools, books, theaters, museums, etc., are naturally of significant help in this. The goal of our educational work, therefore, is to promote socially productive activities, without which construction of a developed socialist society would be inconceivable.

Culture In Everyday Life

The trade unions should use everyday work as their basis for explaining, proving, establishing and including among the norms by which we live the notion that it is not enough just to live somehow, from one day to the next, but that we must also see, understand and feel the value, the significance and the meaning of life.

We are talking here about the many-sided educational effects of day-to-day trade union work, about trade union work as a whole, and consequently, also about the representation and safeguarding of our workers' interests. The work of our trade unions itself must be performed in such a way so that it will make it easier to break down and identify our goals, principles and policies.

The facts of everyday life, the correlation between principles and facts have always had a tremendous impact on the workers' consciousness. Our workers, therefore, must feel that they are involved in the management process. Becoming a part of the management process is not automatic; in fact, initially we may even find some resistance to the idea. Thinking as part of the community, in the interest of the community, taking part in public affairs and dealing with management-related problems require major behavioral changes. How well the trade unions are able, through their educational efforts, to bring about such changes is at the same time also a measure of the quality of their work.

Whether or not we can find a solution to many of the problems of social life will depend on how actively these workers can master the achievements of culture, and on the extent to which those achievements become a part of their everyday life and needs. The high culture of work is becoming increasingly closely connected with the culture of everyday life and relaxation. The development of socialist democracy is the result of man's increased political maturity and his ability to exercise his rights, to respect his obligations and to understand the inseparable relationship between them.

The life of the worker has changed: he is living under different conditons, the technological development at his place of work has accelerated, his working conditions have improved and his cultural life has expanded. The life of the peasant is also radically different. He is operating machines, learning new techniques and is basing his production on scientific principles.

Satisfying the need for a more effective spreading of socialist values--including work ethics--and for bringing those values into closer relationship with material interests has become perhaps the most timely of all the tasks which are facing our trade unions today. The shaping of a socialist man is a complex process, for he must undergo a profound internal transformation: he must be concerned about others and work for society, too; he must study and must never be indifferent; he must be activie both in his studies and in public life, and he must recognize that money is not everything and that there are also other things in life which a person needs to live a full life. The fight against money-grubbing, apathy and other negative tendencies is also a part of our ideological struggle, it is also taking place at work, thus it is one of the important tasks of trade union work.

Active Concurrence

Better conditions do not automatically lead to higher levels of thought and consciousness; nor do they automatically bring harmony between performing one's obligations and exercising one's rights.

Unlike the capitalist system which "ensures" discipline, quality and efficiency by applying technological pressure and by creating unemployment and an uncertainty of existence, we try to achieve and constantly raise those standards by doing more than just developing our technology and improving the conditions of our socialist society; we do it by using methods of persuasion.

There can be no doubt as to which is more difficult! The key to our success is our ability to rely on the internal strength and willingness of our working class. But when is this internal strength present and how can it be brought about? What does its effectiveness depend on? "It is present when there is something I can believe in, something I can be enthusiastic about, something that I can see as getting closer to reality every day, someting that I can rise up to and be inspired by." This is not a spontaneous process. Its final product is different both in quality and in its goal and meaning from the discipline and efficiency obtained by force in the capitalist countries. The main strength of our system lies in the trust and faith of our people and in their concurrence with our policies. What we need is active concurrence, manifested in everyday work and production outputs. The efforts aimed at furthering that goal will determine the quality and effectiveness of the trade unions' work.

In order for trade-union work to have a more profound and thorough effect, the trade union movement must have even better defined work forms and methods within their centers, but especially in their local organizations. The reason for this is that along with the need for qualitative changes in trade union work, these too have become ready for improvement. The opportunity for making these improvements are there, since we have a growing number of officials and actives "coming up", who possess the abilities, the views and the feel for movement-related activities that they must have to be able to perform, manage and practice trade union work at a higher level of quality, and who also have the means to do it.

The development of the Hungarian trade union movement has been healthy; it has a load-bearing capacity which constantly increases, and it can meet all the challenges facing it. We can say this all the more, since we are aware of the weaknesses of our own work and because we are determined to rectify them during the coming years.

9379
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ACADEMICIAN SUMMARIZES HUNGARY'S POSITION IN WORLD ECONOMY

Budapest NEPSZABADSAG in Hungarian 20 Aug 81 p 9

[Article by Jozsef Bognar, "World Economy, Hungarian Economy"]

[Excerpts] Should Not Be Isolated

After making a prognosis of so many problems, pressures and confusions, the question arises: what kind of a rational economy should a small country have which has chosen socialism for its form of renewal and is a member of the CEMA? Could a policy which would minimize the CEMA-countries' foreign economic (i.e., non-socialist) relations for a while not guard us from confusions, uncertainty and pressures? And if perhaps it is not possible to be isolated which was true during the early 1950s (because the elements of change are also present in our economies), would it still be possible to carefully limit our foreign relations?

Since it is evident that our relations with CEMA-countries will continue to be very important in the future from the aspect of both the development and the stability of our national economy, it is also clear that in the period of mutual dependence of national economies, limiting existing relationships with capitalist countries would be dangerous politically and from the aspect of security, economically disadvantageous and from the aspect of our future development disastrous. This kind of action would be dangerous politically and from the aspect of security because it would be tantamount to voluntarily giving up possibilities for influencing the situation through the help of positive or rational power factors found in other parts of the world or to prevent the catastrophe. We would abandon our allies or potential allies who are joining us in our struggle for peace, nuclear disarmament and the normalization of international relations. Economically, a limitation of relations would mean a slow-down of our technical progress and prevent us from using foreign resources; this would happen during a period when the socialist countries' economic growth is dependent upon structural changes, technical development and efficiency. It would close us off from the other members of the world economy when circumstances are compelling a new international division of labor. To approach the question from another angle: in relation to the world, we would lag behind economically. From the aspect of our future, political consolidation is, of course, imperative but it is also important whether, as a socialist nation, we can keep pace with the elements of change upon which the revival of the economies and civilization depends.

About Strategy

What kinds of alternatives for action do we have in case we do not consider isolation or a conscious reduction of relationships to be feasible? First of all, it is adaptability which means a relative harmony between our own economies' capacity for action and their mechanisms with the expected processes and demands of the world economy. Adaptability has various, mutually complementing forms in economic management (perhaps also in general politics but I do not wish to touch upon this problem here). Certain actions originate directly from the given social value system (in our case, from socialism) and are directed toward the implementation of social goals. Another sphere of action is related to what the society and the economy in the course of action for reaching these goals. The actions in this area are more closely related to the circumstances (primarily the balance situation). And finally, there are also emergency actions which result from the effects of certain processes upon us which we cannot change. The origin of these processes may be the past, or they could be our own earlier committed mistakes or missed opportunities; but it could also be the result of powerful external factors.

If we take it into consideration that we are facing a double lack of balance (our own, manifest in the balance of payments and in the budget, and an international which, as a result of high energy and raw material prices, can be bridged only with a radical reduction of costs), then it becomes evident that the importance of actions, connected with circumstances (balance conditions) and necessities, increases and, for the time being, the proportion actions related to social goals must decrease. In addition to stressing the world economic requirements, it must also be pointed out that the "economic policy of adaptability" does not contradict the requirement system resulting from the intensive development of the socialist economies. The problem was rather that we were not able to start taking this road without externally generated necessities because a large part of public opinion, which signifies the regime's strength, could not adopt the necessary program of action. This is why it is necessary today to accept decisions in the form of "emergency actions", the necessity (unavoidability) of which is justifiable by the socialist economy's developmental requirements.

Comprehensive Reform Policy

However, the economic policy (the economic policy of adaptability or intensive development), defined in the October 1978 and December 1979 resolutions of the MSZMP's Central Committee as well as in the 12th congress, is not only an economic question but also a political, social, cultural and scientific problem. The problems can be solved, therefore, only in the framework of a comprehensive and continuous reform policy which we began to implement in recent years as a token of national unity. This comprehensive and continuous reform policy began with the premise that socialist society's internal development consists not only in perfecting the inherited--and then changed--order of ownership and class relationships. For it is unavoidable that we adapt the structure of society, its control, institutional and management systems, the socially preferred content of culture, the object of scientific research and the planning of production and marketing to the changing internal needs and to the rapidly changing external requirements. In the course of the implementation of this reform policy, practical action was centered, even up to now, on a combination (compromise) between the existing situations and pursuits originating from the value system. We must strive for this even in the course of developing the system of action to adapting ourselves to world economy.

In the continued development of the reform policy based on national consensus, we must not forget that there are many actions in the economy but these actions are not necessarily identical with the interests and pursuits of the existing institutional systems. The number of actions will even increase in the future; not only because our social, economic and organizational forms are becoming more differentiated, but also because the significance of use, even in relation to production, is going to increase. For this reason, it is going to be very important to convince public opinion not only about what must happen but also about how the public must act and what it has to do in the changed situation. Information on economics in general, and on foreign economics in particular, has improved significantly in the last years (and we acknowledge this with appreciation) but the field of action of even the more simple undertakings and even those of households in the new situation is broader than that of information. This is why it is very important to adapt the new fields of the information system to the fields and needs of the systems of action.

There Is A Way Out

Many doubts are raised in significant areas of our public opinion, including intellectual circles, whether today's world, full of dangers and pressures, makes it possible at all to implement a differentiated and subtle international system of economic actions necessary. We live on a single globe and in a world encompassed by a system that is very sensitive to mutual effects. However, the mutual effects do not mean identical actions and situations, for the starting point of actions is always one's own value system. Consequently, the world is going to be full of contradictions even in the coming decades; i.e., some countries or regions will stagnate and others will develop relatively fast. And politically, there will be antagonisms not only between the capitalist countries and the developing world but also within individual countries. Conservative or anti-socialist forces may become stronger (although there are opposing interests even within such interest groups) but if they are not capable of solving the problems of their own country or international questions, then, according to the laws of political shift system existing in the western countries, they will be replaced by other forces. And, in relation to the economy, nothing changes the fact that the western countries have a necessity to export (it is defined and stressed as "imperative export" in the report of the committee set up by president Reagan). For this reason, we may extend our international economic relations even with the capitalist world to a necessary and rational extent by rationally modifying our economic structure, increasing our economy's efficiency and developing a sensible and careful foreign economic policy. To accomplish this, we also have to, of course, have adaptable and flexible foreign economic diplomacy as well.

A creative solution of our economic questions is our most important task both from a national aspect and from the aspect of the socialist system, for the solution of this problem will determine for decades whether we can catch up to the economically most developed countries or whether even those countries will get ahead of us which are behind us now but are better endowed with natural resources.

9414
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OFFICIAL ANALYZES 6TH FIVE-YEAR PLAN FOR AGRICULTURE

Budapest GAZDASAG in Hungarian No 1, 81 pp 44-57

[Article by Ervin Zsuffa, Deputy Chief of Department of Economic Policy of the MSZMP CC: "Unchanged Basic Principles, New Tasks--Development of the Agriculture during the Time Period of the Sixth 5-Year Plan"]

[Excerpts] Development of Agriculture

Production Tasks

The Sixth 5-Year Plan specifies that the production of agriculture products is to increase by 12 to 15 percent. The rate is somewhat lower than the result achieved during the previous plan period, yet meeting it will require great efforts and well organized work. It deserves attention that agriculture's contribution to the national income must be increased at a rate close to production. In accordance with this, agriculture's productive utilization can be only 18 to 19 percent higher, in contrast with 26 percent growth in the previous 5 years. The sum which can be spent on investments will not change significantly, but at the same time due to the expected slow growth of the household plot operations, a greater share of the growth than before will have to be produced in the large operations. This means that the state farms and the TSZ's [producer cooperatives], similarly to the previous 5 years, will again have to increase their production of agricultural products by about 18 to 19 percent.

The wieght of the task is also illustrated by the fact that the plan calls for rapid growth--17 to 18 percent--of plant growing. Even though this main branch requires less investments, but until now our rapidly growing agriculture has not been able to achieve such a rate. For example, in the plan period just completed, the increase of plant growing was 11 percent. We must also consider the projected smaller expansion opportunities of productive utilization. This is important because in recent years the growth rate of financial expenditures in plant growing was three times higher than production. Thus the task can be fulfilled only if the expansion of production is based on the rapid growth of yields, and if we create all the conditions for this. The weight of the tasks is illustrated by the fact that by 1985 we must achieve average productions of 5 tons of wheat, and 6 tons of corn per hectare. Today these yields are considered outstanding in worldwide respects. But, if they are reached, in addition to completely filling the domestic needs it will also be possible to significantly increase exports.

Increasing the growing acreage of industrial crops by a few percent is justified. Sugar and vegetable oil sales are certain and economical, thus besides acreage much attention must also be paid to increasing the average yields and quality. On the other hand, the ratio of fodder crops must be significantly decreased, for the benefit of industrial crops and grain. The foundation for these planned decreases must be prepared by increasing the average yield of bulk fodders, better utilization of the grass growing areas, and by using more agricultural and food industrial byproducts as feed.

The primary task of the horticultural branches is to fill the domestic needs. In vegetable production efforts must be made to develop a production structure corresponding to the demand, and to increase the level of fulfilling the quality requirements. In addition to modernizing the existing acreage, we must plant 14,000 to 16,000 hectares of grapes and 24,000 to 26,000 hectares of fruit orchards. But in all branches the most important thing is to increase yields.

In the livestock raising in contrast to 20 percent in the last 5 years, a growth of 10-11 percent must be achieved. The slower development is justified by the financial limitations on expanding the capacities of the large operations, and by limitations on sales opportunities to foreign markets. Even so the plan expects livestock raising in the large operations to increase by 18 percent. This can be achieved primarily by better utilization of the existing spaces, improving the raising technology, and opening up the biological reserves. Weighing also the profitability of export, the planners started out from the point that slaughter animal production must be increased for domestic consumption and for export, while milk and egg production only for the purpose of satisfying the domestic demand.

Production expansion in the feed grain consuming branches--with the livestock inventory essentially unchanged--has to be based on improving the specific indicies. Slaughter hog production can be increased by shortening the production cycle, improving the raising conditions and feeding, and decreasing the losses caused by animal health care problems. It must be emphasized that in addition to modernizing the existing equipment and expanding the feed lots by reconstruction, it is also indispensible to build new spaces for more animals. But the basic condition for fulfilling the plan is stabilization of the slaughter hog quantity production achieved by the household plot operations and the auxiliary farms. Care must therefore be taken to insure the conditions for uninterrupted production. Expansion of the slaughter poultry production in accordance with the export opportunities is justified. In this branch it is also especially important to flexibly conform to the market demands with respect to quality, product composition and quantity.

In the cattle branch the expected significant decrease in the cattle stock of small producers must be counterbalanced partly by increasing the milk yield by about 10 percent. Meat production based on bulk feeds, and the frugality with expenditures are important tasks. The plan expects the largest amount of growth in sheep production. Continuation of the favorable tendency which developed in recent years can result in about 20 percent increase in the number of animals and dynamic growth of the slaughter sheep export.

The most important task in livestock raising (and perhaps in the entire agriculture) is improvement of the feed management. We must achieve significant decreases in the

the amount of imported protein feeds, and in grain fodder consumption in the cattle and sheep branches. Production must be based on bulk feeds which are cheaper to produce, and on the better utilization of the grass areas and byproducts. In the grain fodder consuming branches the amount of feed used to produce unit quantities of product, or even more so the cost of feeding must be decreased. In the interest of this it is necessary to modernize the entire system of feed management.

Conditions of Production

The plan expects the plowland area to decrease by only 55,000 hectares by the end of the present plan period, after 241,000 hectares were removed from production during the last 5 years.

Increasing the present 1.5 million tons of chemical fertilizer active ingredient consumption to 1.9 million to 2.0 million tons is indispensible for the planned yield increase in crop growing.

To develop agriculture, the plan includes investments in the value of 128 billion to 135 billion forints. Within this the ratios of mechanization and of modernization of reconstructive character, and the ratio of expansion will continue to increase. Modernization of the machinery park will result in a 14 percent increase in tractor pulling power. In the investments we must endeavor to quickly implement those establishments which need smaller expenditures, are economical in terms of materials and energy, and which are suitable for accepting profitable technologies. The plan law states that solution of the production tasks must also be aided by state assistance of the investments. In accordance with this, state subsidies will continue for improvements, new plantations, and machinery purchases. Also, assistance will be available for construction projects important for the national economy (for cattle and hog raising facilities), or loans with favorable terms will be made available.

The relative independence of agricultural production has come to an end with the development of modern large scale operations. Production tools of industrial origin are indispensible, and a well built infrastructure is also important. The efficiency of production largely depends on the standards of these. At the same time an increasing ratio of agriculture's products gets to the consumers in a processed state. Thus the degree of development of the processing industry and of domestic and foreign trade, and the closeness of their relationships are also definitive in character. Therefore, the development of the entire production path, coordination of food production with the industrial background and with commerce are fundamental tasks. Any shortcomings appearing in this area, and the differing levels of the individual stages must be eliminated as soon as possible if we want to remain competitive on the world market.

Principles of Agricultural and Cooperative Policy

Large Agricultural Operations--Household Plot Farms

Hungary's agriculture has several sectors which makes it possible to utilize the productive forces in the most expeditious manner. Correct evaluation of the roles of the major agricultural operations and of the household plot farms was an important factor in the results. The state farms and cooperatives formed the basis of growth. For example, during the Fifth 5-Year Plan the large operations increased

their agricultural production by 19-20 percent, the household plot and auxiliary farms by 7-8 percent. The large operations produced four-fifths of the increment. On the other hand, the support of the household plots made it possible to use the development funds the availability of which is always limited, for expanding production and for modernization. The significance of this practice is illustrated by the fact that if the capacity of the household plots and auxiliary farms had to be created in the large operations, then just replacing the equipment which would have been lost to production would have consumed the agricultural investments of two 5-year plans. In addition to the rapid growth of production, this solution also provided the way for practical distribution of the work. It is typical that grain production which is easy to mechanize has been practically forced out of the household plot operations, but vegetable and fruit production which are labor-intensive, as well as the raising of livestock have significantly increased.

Household plot operations and the way they are perceived, have undergone a major change. During the time after the agriculture's socialist reorganization, self-sufficiency and supplementing the members' income derived from the joint operation used to be considered the main functions. Later it was recognized that utilization of the existing productive capacity and the fractional working hours otherwise lost is advantageous also to the national economy, and in addition to self-sufficiency the production of goods can also be expanded. In accordance with this emphasis was placed on helping and supporting the household plot farms. This policy resulted in significant production increases. But problems also appeared, among which the strong fluctuation of production and the cutback of several important production branches must be emphasized. In order to eliminate these unfavorable phenomena, in the second half of the 1970's emphasis was placed on "integrating" the small production. At that time the attention was extended besides the household plot operations of TSZ members to the so-called auxiliary farms. The significance of this is illustrated by the fact that in Hungary practically every second family is busy with some form of agricultural production.

Actually, integration means that cooperation between the large operations (state farms, producing and consumption cooperatives), and the household plot and auxiliary farm operations was made closer and better organized. There is a great need for this since this form of small scale production is not independent, and is viable only when helped by the large operations. (For example, the overwhelming majority of the feed required by the highly valued household-plot livestock raising is produced by the large operations.) The services of these economic units play an important role in organizing the small-scale production, supplying the producers, and buying up the products. At the present time 110 people in the state farms, 2,800 in the TSZ's, and 3,500 in the AFESZ's [General Consumer and Marketing Cooperatives] are working on helping and organizing the production of the household plots and auxiliary farms.

As a result of the work becoming organized, production further increased. This way it was possible to achieve that the household plots and auxiliary farms even today have more than 30 percent share of the agricultural production, their production of goods is becoming specialized, and at the same time better planned, and in this manner they fit organically into our socialist economic system.

It is obvious today that theoretically recognizing, or even helping small scale production is not enough; maintaining the level of production in the household plots and auxiliary farms is a complex task:

--the producers have to be supplied with the necessary equipment (feed, seed, chemical fertilizer, hand tools, small machinery, etc.);

--financial interest must be continuously maintained;

--it is necessary to take care of the certainty of production and sales;

--the producers must be helped with various services, for example, by transportation, professional advice, etc.

Household plot operations have less stability than large scale production, since even the temporary absence of the above mentioned conditions leads to an immediate decrease of production. But the risk can be decreased by well organized work. And what is even more, if integration will continue to gain strength, even more can be achieved than the one percent per year growth projected for the time period of the Sixth 5-Year Plan. Their participation can be increased especially in poultry and small animal production, and in vegetable and fruit production. But the state farms, the agricultural and consumption cooperatives, and the enterprises also have a large role in this. Thus it is of decisive importance that the economic units organizing the work and providing the services also derive financial benefits from this.

The Hungarian practice of household plot operations is favorably acknowledged here at home as well as abroad. In my opinion the experience gained in two decades can also provide useful hints in other areas.

Economy, Independence, Financial Interest

The prevailing of the principles of economic independence and financial interest is a significant driving force behind growth. Legally, the cooperatives are independent from the instant they are formed, their tasks are determined by their self-governing organs. (Even before 1968 the cooperatives had no plan obligations) As the economic conditions changed, the economic foundations of independence gradually also came into existence. In accordance with this, the independent activity of the cooperatives was also able to develop. The independence of the state farms became complete somewhat later, but today there is no meritorious difference between the two sectors from this viewpoint.

The advantages of independent economic operation manifested themselves mainly in the vigorous growth of production and sales, in flexibility, and in the efforts to achieve profitable economic operation. In addition to this, the economic operation became better planned. Credit for this is due to the fact that the coordinated operation of the various elements of the regulatory system (price, subsidy, tax, credit, etc.), even in spite of the problems, relayed well the goals defined in the national economic plan.

The price ratios, and the profit content of producer prices have a very great significance because the principle of financial interest prevails. The purchase price of production equipment and the selling price of agricultural products greatly influence the decisions of the farms, thus price regulation has a decisive role in relaying the production tasks. The household plot operations react with particular sensitivity to changes in prices and price ratios.

State assistance for development and operational purposes is made available as a supplement to the pricing system--according to rules publicized in advance. This regulatory tool, the size of which is decreasing, is especially suitable for providing incentives for developments in accordance with the national economy's goals. Credit can also be used to influence developments, if the producer prices have the appropriate profit content. Discounted interest rates, or setting the loan's expiration date to suit the purpose can also shepard the investment decisions in the desired direction. Until now this opportunity has not been used sufficiently. During the Sixth 5-Year Plan the regulation will provide a way to increase the role of credit.

A several-channel taxing system is operational in agriculture. Large differences between the tax rates is a common characteristic between land tax, the gross income tax, and the tax regulating the way personal incomes develop. The proper size of taking away income is one of the most sensitive points of regulation. Farms producing with higher costs in areas of unfavorable natural conditions receive complete freedom from taxation, or a discount in the interest of maintaining their production--because their products are needed. On the other hand, the increase of production can be expected primarily from the good operations, therefore, care must be exercised lest excessive taxation end their interest in growth. Experience has proven the past practice to be correct. The tax system's operation according to the tried and true principles is also one of the key questions of fulfilling the tasks ahead of us.

The areas with unfavorable natural conditions need help even beyond preferential treatment in taxation. The utilization of tools is more effective in operations with better natural conditions. But even beyond the national economy's needs and the demand to farm the whole productive land area, a large amount of lagging behind in some areas is also intolerable politically.

Therefore, the farms with unfavorable natural conditions are also given extra support. A shift in approach is illustrated by the fact that in the beginning the "weak ones" were given general and not sufficiently selective support. Later the emphasis was placed on income supplements. Today the goal is to organize strongly selective growth to correspond to the given production conditions, and to organize profitable supplementary business branches. Excessive differentiation of the development resources is a new problem which will have to be solved in the coming years. That is, it is not acceptable that several hundred farms do not even have their own resources needed to maintain their production levels.

Financial interest also applies to the workers. When the cooperatives were formed, in many places the emphasis was still on creating minimum personal incomes. But the peasantry's income rose rapidly as a consequence of the producer cooperatives gaining strength. It is a historical achievement that by the end of the 1960's its level was the same as that of the [industrial] workers. Extension of the social security, introduction of the retirement income system, and other social policy measures also significantly improved the living conditions of the peasants.

All this has had a strong and favorable effect on agricultural production. The experience of our peasantry convinced it that it had acted correctly when it embarked on the path of cooperative farming. It must be largely credited to this that it considered the joint farm more and more to be its own, and worked accordingly.

The close relationship between the farm's success and personal incomes has led to dynamic but differentiated growth, and nationally to the rapid increase of productivity. The system which has developed, continues to be able to operate. Efforts must be made that the peasantry's income grow in proportion with that of the workers. But the principle of socialist distribution must be implemented even more consistently in setting the wages for work. It must be achieved that the quality and quantity of the work done be better expressed in the incomes.

Flexible Activity Area

It is an opinion accepted in broad circles that it would be favorable for the Hungarian economy if more small and medium sized enterprises operated than now operate. But, in spite of a decade and a half of experience it has not yet been realized sufficiently that many largely independent industrial divisions are working within the framework of agriculture. According to the statistics, for example, in 1978, 6,560 industrial departments operated in the large agricultural operations, and their production value was 35.6 billion forints. Better organized utilization of these small and medium sized facilities would ease the shortage appearing in these type of capacities.

Experience proves that these departments have a high degree of independence, even a freedom to enter into undertakings if you will, and have the mobility corresponding to this. This is easy to understand, since the managers of the farms concentrate their attention mainly on the basic activity. It can be asked why aren't they fully independent then; Why do they accept that the state farm or cooperative takes away a part of their profit? There are several reasons for that. In my opinion, first of all the fact that financial tools are necessary to establish even a small enterprise or a small cooperative, and the source of this is difficult to create independently, without dependence on other organizations. The other reason may be that the undertaking involves a real risk. They have to bear the changing demands, the income's fluctuation, and the consequences of possibly going under and starting again must also be accepted. A base with the appropriate financial background is needed for all this, since the other possibilities of movement of capital are strongly restricted.

The Certainty of Production and Sales

The certainty of production is an important question. The more and more modern production equipment and the advanced production technology help the stability of agricultural production. It can be seen, however, that even with the high production standards there is a strong dependence on the natural factors. For example, the averages of the last two years' wheat production show a difference of over 30 percent. Even though this is an extreme case, but the statistical data illustrate that even in countries with advanced agriculture, a 15-20 percent production fluctuation between years is a natural phenomenon. (The differences are even larger in horticultural branches.) Under such circumstances everything must be done that at least the other factors increase, rather than hinder the certainty.

One of the most important tasks is to provide as good a supply of the material needs to production as possible. For example, it was possible to eliminate the cyclic fluctuation of household plot hog raising, which caused much damage, primarily by setting up a feed sales network covering the whole country, by providing supply in accordance with the demand. The supply of industry-made materials and equipment has improved much. But there still is a shortage of modern harvesting machinery and

small machines which can be used in household plot operations, and the unsatisfactory quality, unreliability and periodic lack of some of the machinery, equipment, chemical fertilizers and pesticides are problems. Whether or not agriculture will be able to fulfill its task, improve the efficiency of production, depends largely on the levels of supply.

The certainty of sales largely influences the decision of producer. If placement of the merchandise is assured, they produce more rapidly even in the hope of smaller profits. But the production of some products was set back for several years due to the sales difficulties experienced from time to time. The contract system is an important factor in the certainty of sales. To the farms, the contract offer of the processing and wholesale buying enterprises represents concrete information about the national economy's needs. For the most part the contract is guaranteed even before the production process begins, that the products to be produced will be sold, or bought up. In spite of its faults, this system operated well in the period of economic management by shortages. But at the present time harmony between the supply and demand of food products is more favorable, and this requires closer coordination between production and the needs. In accordance with this, in recent years emphasis has been placed on the long range contracts. Even more results can be achieved this way by strengthening the guarantee elements, and by cooperation becoming multi-layered. However, it is seen more and more clearly that the traditional solutions by themselves will not be sufficient.

Every year a larger and larger proportion of the food is sold on foreign markets, the absorbing capacity and demands of which change often. Thus, the flexibility of the entire system must be increased. The weight of this task is illustrated by the fact that, for example, the poultry industry sells 60 percent of its products abroad, or by another approach the value of the meat industry's annual export is 500 million dollars. The new situation requires closer cooperation between agriculture, the food industry and commerce, and their coordinated development. Integration, which results in competitiveness: in quality improvements, decrease of expenses, and greater flexibility, can be developed in several ways. Further development of the contract system, mutual coordination of interests, as well as the associations which insure the joint interests can also have roles in this. So far, there are only some promising initiatives in this area. Working out the correct solutions will be one of the most important tasks of the coming years.

Coexistence of the Modern and Traditional

The Sixth 5-Year Plan's investment projections are limited. Calculated at unchanged prices, there will be an opportunity to make approximately as much investments in agriculture as in the previous 5 years. Thus if we want to keep up with the progress taking place in the world, it will be necessary to even more consistently continue the proven practice. A significant portion of the financial tools will have to be concentrated on developments which contain modern technology, and which increase efficiency. Even so, the rejuvenation and modernization of existing buildings and equipment will characterize the coming years. During the course of this, efforts must be made also to expand the capacities, and to coordinate with the processing industry. Replacement of the worn-out machinery must be separately emphasized because continued operation of the old power and work machines also endangers the reliability of production, and the working of productive land.

Concentration--Specialization--Economic Cooperation

Growth of the production forces causes necessary changes in the operation's circumstances. The more modern and higher performance production equipment (costing more and more) required the increase of concentration. This process--going beyond growth resulting from accumulation--took place basically by mergers of the state farms, and by cooperatives uniting into one. This concentration provided space to accept modern technology, and supplied the financial foundation to finance the developments. The enlarged enterprise frameworks made it possible for the intellectual powers to join forces, to organize specialized production units, to join them within the operation.

In agriculture the enterprise's structure is approximately in harmony with the present level of advancement of the production forces. In Hungary one can find large, strong agricultural operations suitable also for solving major tasks, average sized farms capable of accepting modern technology, as well as agile little cooperatives. In some cases it was necessary to provide incentives to develop them, but for the most part one had to guard against excessive mergings surpassing the growth of the production forces. In the second half of the 1970's it also became justified to hold down the accelerated process, because modernization of the internal organization fell behind the increased sizes. But in parallel with this, emphasis was placed on economic cooperation to help better organize the economic operation, reasonably concentrate the financial and intellectual resources, and help specialize production and the services. Development of this tendency was also helped by simplifying the legal and financial regulations. It is noteworthy that more than 80 percent of the economic associations operating in Hungary are agriculture oriented. Their weight is illustrated by the fact that in 1979 they had an income of 46 billion forints from sales.

Democracy Prevails

In our agriculture the cooperative sector is strongest. The cooperatives are democratic in structure by their very nature, thus prevalence of the democratic principles has great traditions. At this time I would like to elaborate on some of the characteristics typical to agriculture, from among the ways socialist democracy manifests itself in our entire society.

The Leninist cooperative principle of voluntary action was important when the individual peasants joined the cooperatives. Joining and quitting the cooperative is on the voluntary basis now, too. In our present practice the important basic principle appears with an expanded concept. Participation in the social distribution of work (in carrying out the economic tasks), or for example in the associations is based on the voluntary decision of the communities. Honoring this is of definitive significance also in considering the tasks of the future.

Graduality helped the individual farmer convert to joint farming. The more simple-type cooperatives did not have great significance in Hungary. But the household plot operation or the share operation represented sufficient transition even for the individual to conform. The principle of graduality is consciously implemented in our agriculture even today. For example, the change-over is ownership conditions is taking place one step at a time. It is important that the land area used by the

cooperative but owned by the members should become public property without financial sacrifice and without harm to one's interests. Integration of the food production (closer cooperation, economic associations, the development of agroindustrial associations) can also be implemented in several steps. It would also be harmful to rush unreasonably this tendency-type process.

Self government is characteristic to the cooperatives. In their internal affairs the members (general meeting), or the organs or persons elected by them have the authority to make decisions. The cooperative's members feel that their joint operation is their very own. In accordance with this, they live with their rights with increasing activity and responsibility.

As a consequence of the increased sizes of the cooperatives the roles of their self-government forums became questionable. Conforming to the developed situation, the cooperative law made it possible for only the most important questions to remain under the exclusive authority of the general membership meeting. In other matters the meeting of delegates, management, or the committees have authority to make decisions. At the same time, in the interest of direct participation by the members, the work-place communities which include all the members, received the right to participate in discussions, and in some cases to make decisions. The time passed since the modification has proven the correctness of this measure.

The significance of democratic operation continues to grow. The economic tasks are bigger, and the conditions more difficult. Only healthy communities can gain the upper hand over the increasing burdens. Strengthening the sense of responsibility and creative initiatives is very important. The basic condition for this is that the cooperative's members and workers be well informed about their farm's affairs, and participate not only in carrying out the decisions but also in preparing them and in making them. Democracy's growth can greatly help our economic work and improve society's spirit.

This outline review of the characteristic traits of the agricultural and cooperative policy also illustrates that solving the new tasks will continue to make it necessary to consistently apply the principles, but to also flexibly adapt them to the changing circumstances.

8584
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PRICE INCREASES AS PART OF ECONOMIC REFORM SUPPORTED

Need for Price Reform

Warsaw ZOLNIERZ WOLNOSCI in Polish 23 Jul 81 pp 1, 2

[Interview with Professor Zdzislaw Krasinski, Government Plenipotentiary for Price Reform and Chairman of the State Commission for Prices, by Roman Przeciszewski; date and place not given]

[Text] The following modern rule has been proven by life here several times already: when a farmer sells his produce on the market for more than yesterday's price we take out the money, count it, and pay (lately 450 zlotys for 1 kg of pork roast) despite grumbling, complaining, and grieving in the process. However, when it is the state which raises the price the affair becomes very political and grumblings, complaints, and grievances change into an imperious protest of the masses. This is how it has been so far. And what will happen next? This is a very timely question, because higher food prices will soon become a fact, or as some say, a necessary evil. The inflationary "curve" instead of dropping rises more and more every day, more expensive (not necessarily more attractive) articles disappear from stores, the state subsidizes some products with astronomical sums (360 billion zlotys this year, but only 25 billion zlotys in 1970), and in addition to that we are earning more now than we are producing. Economists scream and sound the alarm that if things continue this way we will face a total disintegration of economy.

The task of implementing of the new price system--based on relationships between the people's income and the production costs--entrusted by the government to Professor Zdzislaw Krasinski, State Minister for Price Reform and Chairman of the State Commission for Prices, is certainly not an easy one. However, minister Krasinski is optimistic, which can be exemplified by his statements in the press, radio, and TV....

[Question] Mister minister, 9 years ago during a conference at the PZPR Central Committee Institute of Social Sciences you said that if a price reform is not introduced quickly we will pay dearly later. You were called a pessimist....

[Answer] I was rather an optimist, because I signaled a state which could develop and at the same time I believed that my words would be properly accepted. Unfortunately, there was a silence, and 4 years later the strangest and most ill-conceived reform, which did not solve anything, was introduced. And indeed--we had to pay dearly.

[Question] Indeed, we are paying now by standing in lines all night with ration coupons for basic food products and lack of basic everyday articles. People are tired, if not discouraged and bitter, and also distrustful. This could be seen after your TV appearance on the show entitled "Letters about Economy," when you presented the vision of Poland without ration coupons and lines, and with loaded shelves, perhaps that is why the feeling of disbelief prevailed. I heard people calling you an optimist, fantasist, and utopian.

[Answer] I wish to repeat it again: this vision is real. In a year and a half, perhaps a bit longer, it will be possible to achieve a market balance. However, people must trust the government as a basic condition for success. Let us finally implement the reform of retail and producer prices as soon as possible. It would be good if the people froze their savings accounts for 2-4 years. The state would guarantee them full revalorization of their savings and would additionally pay 4 to 5-percent interest. This way we would get rid of the inflationary gap which threatens us more and more, our lives, and our economy. Today one-third of our daily pay has no equivalent in goods. In this situation there is no need, I think, to convince anybody of the need for a reform.

[Question] I agree, the people are also for a price reform which is reflected in the polls conducted, among others, by the Public Opinion Research Center and a team of Poznan economists led by you. Let us remember, however, that the majority of these people supported the reform in the belief that it would also shorten the waiting time for goods as well as offer an assortment and improve the quantity, and quality. And yet let us admit sincerely that this reform will not stop the nightmare of queues.

[Answer] The price reform alone will not definitely assure plentiful goods. Good supplies can be secured only in conjunction with economic reform. To introduce a price reform without an economic reform would be the most idiotic idea and one which I would never support. I say openly: I do not want to be a thief, I want to establish the market balance.

[Question] It will be difficult to convince the people. During the PUWP Congress you were invited to the meeting of the Panel VII--discussing the development of market production and the directions which could bring the market balance--where supposedly the reform project was severely criticized.

[Answer] On the first day of the meeting the participants split into two camps. One half was for the price increases, the other half was against the reform. The opponents' voices were sharp indeed. I was asked to comment on the subject. I presented the situation as it was, as dark; I told them that the hoarding of the second group of products--non-food goods--had already started and that we were only weeks away from the situation which had been predicted and warned against by economists already in April: virtually empty shelves in stores. Delegates said that mine was the most dramatic presentation on the panel....

[Question] The arguments were convincing, so it seems....

[Answer] Though I did not know about it on the first day of the meeting, on the second day--my biggest surprise of all was that there were only two voices against

the reform. And that was not all. After the discussion I was approached by its biggest "opponent" and the one who had defended his position the longest; he told me: I am your ambassador, and [I think] price increases are indispensable.

[Question] What conclusion can be drawn from that?

[Answer] We must break the psychological resistance to the price increases prevalent in the society. The argument which focuses on the economic collapse, on the one hand, and on the improvement of the quality of life, on the other, should convince everybody. The truth should be presented without beating around the bush.

[Question] Mister minister, time is running out and the shelves are getting emptier every day. Something must be done now....

[Answer] True, there is hardly any time left, and there is practically no time for talk. That is why we are proposing an increase in prices now for only some foodstuffs. Among them is bread, which is being bought up for feed and as a result of this in the Czestochowa province, for example, the lines for bread are as long as the ones for meat. We want to increase price of bread to 21 zlotys per 1 kg. We are also projecting an increase of prices for sugar to 40 zlotys per 1 kg, for rice to 30 zlotys, for cereals to 21 zlotys, for flour to 19 zlotys, for salt to 7 zlotys, for matches to 2 zlotys per box. The price of milk will remain the same for now.

[Question] The people will be more interested, perhaps, in the principle of compensation.

[Answer] We have carefully calculated the resulting cost of living increase. It was not difficult given the fact that most of these articles we are being purchased now by means of coupons and thus the amounts and quantities are measurable on a monthly basis. Moreover, we have accepted the "Solidarity" estimate that an average Pole consumes 10 kg of bread a month. Thus, the available information allowed a quick estimate that the cost of living would increase by 195 zlotys per month. And yet we will give everybody including annuitants and pensioners as well as employees of both the socialized and nonsocialized sectors who receive family supplements, a compensation of 200 zlotys. It appears then that there is nothing to negotiate. There is no reason for further delay, and each week the price increases are delayed for the above mentioned articles means a continuation and deepening of the critical and crisis situation. We would like to introduce the new prices as early as this August.

[Question] Let us suppose that the new prices for bread have just been introduced. What will happen a week from now?

[Answer] First of all, there will be bread in stores. The farmer will not be buying bread to feed his pigs, because its price will be higher than the price of grain. Secondly, it will be possible to choose products like 10 years ago. I have the 1976 price list--dug out from a sack--which did not reach the public. It has prices listed for bakery goods we have managed to forget about by now. I want to invite you to my office after the price increases. We will make a tour of stores and see the changes with our own eyes.

I want these price increases to be a lesson which will restore confidence among people and which will convince them that such a move can restore a market balance. After all, this economic instrument has worked without difficulties for thousands of years.

[Question] As I understand it, this will be the first stage of the price increases. But will happen next?

[Answer] By as early as August, we ought to present to the public for discussion a proposal regarding a universal reform of retail prices, which would take into account the producer prices as well. Based on the list of basic consumer goods and their price increases we have established the compensation levels. The compensation ceiling will reach 1350 zlotys. We will give it to nearly all population groups. The compensation level will be slightly decreased for persons with the higher levels of remuneration, annuities, or pensions. The affluent groups, however, will be given one half of the compensation in the form of state bonds.

[Question] Mister minister, would you please raise the curtain of mystery and give us a few examples of new prices.

[Answer] Milk will be 10 zlotys per 1 liter, butter 80 zlotys per 1 cube [kg].

[Question] The new prices are also supposed to balance the production costs, and these--as practice has shown--are often too high and vary from one enterprise to another, and from one region to another.

[Answer] I agree that fixed prices coming from above may not take into account poorly operating enterprises. I can see that already in proposals for price increases reaching the State Price Commission [PKC]. This situation, however, can last only until the introduction of the economic reform. Later the prices will be regulated by the market mechanism and we at PKC will monitor the cost of living increases and make public the names of those whose production is the most expensive. Please remember that with the achievement of self-management and independence the enterprises will find themselves in a competitive situation and that those whose production is the most expensive will disappear from the market as a result of our monitoring by the Consumers Federation and people. This competition could also lead to a situation where the price of a given product is lower than the officially fixed one.

[Question] Let us return to the discussion at the party Congress again. In your conversation with the ministers of Finance and of Domestic Trade and Services, which we were able to watch on TV, you also mentioned a proposal to introduce a so-called stability supplement. How would it work?

[Answer] A stability supplement would be added for the period of 12-18 months to the prices of those articles which disappear from the market, those which are bought up regardless of need for reserves, and which are among the most attractive ones. After stability to the market is restored the previous prices could be restored. It would not be a typical price increase and therefore nobody would be hoarding these articles. The supplement, which would be added to the permanent price of articles, would not go to the treasury of the Ministry of Finance, but

would go into the stability fund which would be under public control. Every week data on the fund's growth and its use would be made public. This way people would know what was happening to this money and that it was being used to subsidize the lowest annuities and pensions, hospitals, education, and maintenance of vacation houses. This drainage of money from the market would be socially very useful.

[Question] Mister minister, you have written that "Freeing Polish society from favoritism, influence-peddling, graft, kickbacks for favors cannot be too difficult to accomplish by a normally thinking society which wants to recognize the simple principle that work equals wage equals consumption level." The title of this publication was "The Price Reform We Will Accept?"

[Answer] We must get rid of the embarassing situations listed in the above quote. And I think that the people want that too.

[Question] This is what your optimism comes from today?

[Answer] That is right.

Immediate Price Increases Analyzed

Warsaw KURIER POLSKI in Polish 4 Aug 81 p 3

[Article by Andrzej Rozolowski]

[Text] A man can develop immunity to everything. Even poison administered for a long time in small dosages finally makes an organism unresponsive to an amount which would kill a normal person. It seems to me that this kind of process is taking place presently in our society: threatened continuously and mercilessly for many months with economic catastrophy it has stopped worrying. Everyday doses of black pessimism have produced antibodies defending the social organism against collective hysteria.

It is not easy to scare the Poles, as many have learned lately; they will get mad, cuss, demand divine (and human) wrath for the guilty ones, but they will show no fear and replace it with mad humor. This courage (some call it imprudence, others lack of imagination) has more than once saved and more than once ruined us throughout history. When was one or the other is of no consequence; I will not join the century-old big national debate between the devotees of courage and honor and supporters of prudence and caution. Important is what we should do now: be afraid or to sneer at danger?

Three, 5, and 8 years ago--try to recall--we were complaining (and how!) about the lack of products on the market, shortages in stores, and the pain of shopping. Today we remember this period as a time of plenty. Only today we have realized that the store shelves can be literally empty. It is so bad that it cannot be worse.

Cannot it be, really? Will we not have days when we will miss today's level of product availability?

We Will, We Will...

Naturally, we may reach such time. I am deeply convinced that if we do not bring ourselves to take very decisive steps the market will fall apart in 2, or in 3 months at the latest. There will be no market at all. But we will continue to have very long lines for rationed products (of which there will not be enough to go around), completely empty stores, and raging speculation on the private market. The zloty will cease to be money.

Everything points in this direction. It is enough to have just a little imagination. It is enough to look at the economic performance indicators for the first 6 months published by the State Main Statistical Office [GUS] and realize how they reflect the reality we are experiencing every day to understand that every day another 1.5 billion zlotys is poured on the market without having any coverage in products... and imagine results of this continuing processes in a month, 2, or 3 from now. It is enough to look at the crowd attempting to buy just anything in the "Jubiler" stores for zlotys despite the fact that the price of gold has been just raised by 50 percent! Nothing helped. The inflationary curve and the "hot money," which burns fingers and forces its owner to get rid of it will wipe out everything reaching the market and everything which is not perishable regardless of production or import increases.

There is also another important phenomenon: farmers refrain from selling their produce, particularly cattle. This is not surprising: what would they do with the money? What could they buy? Why save to see the money lose its value even more? And the money in the form of a calf or a hog does not lose its value at all. On the contrary, it greatly appreciates very much. First, because the animal gains in kilograms, and second the market price of these kilograms increases.... Thus, it is clear to me that what happens today will continue: there will be more meat in cow barns and in pigpens and less on the controlled market where even today there is not enough to cover the demand regulated by ration coupons despite large imports (how low have we sunk--we, former exporters of meat!).

There is only one solution left: a price reform, with price increases accompanied by appropriate compensations. Everybody agrees with that. Many, however, do not agree that the increases should be very high, and many do not believe that the compensations will be equitable. "Solidarity," on the other hand, gives its approval to the price changes on the condition that this operation will be a part of a universal economic reform.

Well, 5 years ago price increases did not have to be as high. It was enough to raise them by 30 percent, at least as the food products are concerned. Last January it would have had to have been at 66-percent. In August, if the reform can be implemented, we would have to accept an average increase in food prices of 123 percent. By the end of this year it would reach 145 percent, and by the beginning of next year--200 percent. This fast moving rate of price increases of course is a result of the loads of money being pumped into the market without product coverage.

It Would Be Unbearable

Thus, the price increases must be very high today in order to prevent even greater increases a month later, and to prevent the collapse of the market in 2 months, which I mentioned above. Second, the price increases must be introduced immediately. If the government cannot accept the fact that it must approve all reasonable proposals made by "Solidarity," and if "Solidarity," in turn, cannot understand that it must give in all those areas where its resistance would prolong negotiations (both conclusions only seem to be illogical) the time will come when there is nothing left to negotiate, because it will be too late. Of course, the price reform must be a part of the universal reform (this was strongly emphasized by the government spokesman and the State Price Commission chairman, Prof Z. Krasinski), however waiting for one until the other is completed would be a crime against the society.

Third, and last, the price reform should be carried out in one step. Only then can it do away with the entire inflationary curve, and restore a balance to the market, and thus fill the empty shelves. Full shelves, in turn, will be such a shock to every citizen of the PPR that it in fact will repay him or her for the unpleasant shock caused by the price increase. Otherwise, the unpleasant shock of price increases will linger while a visible effect of such step will not materialize. This would be unbearable....

In conclusion I wish to say: Let us not be afraid of the price reform.

Those who tell us that it is enough to increase production and apply various salutary quarter-measures, are mistaken because this is nonsense.

Let us put trust in our own strength and let us believe that we will be able to carry out the entire operation honestly, and that the largest material losses will be suffered by those who earn the most. Our common benefits will be still greater. I think that there is no other alternative. Naturally, we can continue our protests, demonstrate people's anger, organize hunger marches, and demand improvement from the government--these are understandable reactions of social despair. Their effectiveness is nil, however. Our protests will have the same effect as protests against an earthquake in Iran or demands for better weather during harvest time from our government....

8609
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CONTINUED DOWNWARD ECONOMIC TREND INDICATED

Warsaw ZYCIE GOSPODARCZE in Polish 30 Aug 81 p 2

[Article by Ch. M.: "The Economy in July: From GUS [Main Office of Statistics] Materials"]

[Text] The adverse tendencies present in our economy since the beginning of the year have persisted at full strength last July as well. Sold production of socialized industry was 17.2 percent (45 billion zlotys) lower than in July of previous year, and 10.9 percent (26 billion zlotys) lower than last June. The decrease in production in July compared with the preceding months is of a seasonal nature and it occurs each year, but this year it is--especially in terms of comparable hours of work (in July work time was one work day shorter than in June)--relatively more steep than the average for the preceding years.

The gap between size of production and payments from personnel wage fund in industry has further broadened. These payments were 26.3 percent higher than a year ago. After the amounts ensuing from the wage adjustments performed since the second half of last year are deducted, the increase in the wage fund amounts to 8.9 percent.

The basic figures on the economic situation during the 7 months (January-July 1981) are presented in the table below.

	January--July 1981	
	In Absolute Figures	January-July 1980 = 100
Production sales of socialized industry (1981 prices in billions of zlotys)	1,697.9	86.4
Hard coal extraction (in 1000 tons)	94,995.0	78.7
Electric power generation (in millions of kwh)	67,210.0	94.6
Personal monetary income of population (in billions of zlotys)	1,130.8	122.9
Personal monetary expenditures of population (in billions of zlotys)	938.8	112.9
Average employment in socialized economy (in 1000 persons)	12,032.6	100.5
Net personnel wage fund in socialized economy (in billions of zlotys)	538.0	127.5
Livestock procurements in terms of meat, 1000 tons	1,243.5	80.9
Market supply of goods (current prices, in billions of zlotys)	819.2	101.4
Foreign trade (in millions of foreign-exchange zlotys):		
Exports	25,158.0	81.7
Imports	28,894.0	90.6

The data contained in the above table should be complemented with the information that labor productivity in industry, in terms of value of sales per employee (after allowing for price movements) declined 13.3 percent during the period in question.

We do not as yet have the figures on the amount and structure of investment outlays during the last 7 months. On the other hand, [we know that] the plan for releasing completed projects by socialized construction for use during that period has been 58.9 percent implemented. So far as housing construction is concerned, 93,500 dwellings were released for occupancy in Poland. This is 26.6 percent less than in a like period last year (33,900 fewer dwellings). Particularly disturbing is the decline in the release for occupancy of dwellings in single-family private housing construction. Altogether, during the last 7 months, private rural and urban housing construction accounted for the completion of 13,300 dwellings, whereas the figure for a like period last year had been 21,400 dwellings.

The number of newly started apartment buildings this year continues to be extremely low (in socialized construction the pertinent housing starts amounted to 596 housing complexes designed for 27,500 dwellings). In addition to the material difficulties, a major contfibuting factor is believed to be the conversion of construction enterprises to the economic-financial system ensuing from Decree 118 (the so-called small reform). Under this system, buildings not received by investors are not included in the plan and not cleared through the bank. Hence, construction enterprises are reluctant to start construction on undeveloped land, and delays in this respect are quite considerable.

As regards the situation in agriculture it will still take some time before crop production results are known. On the other hand, we have already reported the data on the June livestock census. Here, too it is difficult to make forecasts for the immediate future, because animal husbandry is in a complicated situation. Thus, e.g. the prices of piglets persist at an extremely high level--74.8 percent higher than last year. This would indicate that farmers are interested in restoring livestock raising. At the same time, though, the index for young sows is declining and it has moreover been doing so month after month, more steeply.

A similar situation exists in cattle raising. The free-market price of cows is high--more than twice as high as they were last year, but at the same time the mass slaughter of calves is taking place. This is probably due to the high milk-procurement prices.

It is to be assumed that farmers will decide whether to continue livestock raising only in the next few weeks, once the data on the final harvests of root crops are known and once the farmers themselves can get some idea as to their fodder supplies.

For the time being, however, procurements of livestock for slaughter are declining. In July they were 26.6 percent lower than last year, and the volume of contracts for September and October is 28-40 percent lower than it had been a year ago.

Some optimism--though this concerns a rather distant future--may be derived from the fact that sales of artificial fertilizers have increased: in July they were 17.2 percent higher than in a like period last year.

The market situation has further worsened in July. Total monetary income increased by 30.4 percent in July, but the market supply of goods was (in current prices) 3.6 percent higher than a year ago. It should be borne in mind, moreover, that a year ago in July the level of market supplies had already been particularly low. Compared with June 1980, the July market supply was 4.2 percent lower.

A particularly difficult situation persists on the meat market. The supply of meat and meat products (by weight) in July was 21,900 tons lower, i.e., 13.4 percent lower than a year ago. This decline has been particularly sharp in the major urban centers, now that the meat distribution list--mandatory in previous years--has been abolished. Thus, e.g., deliveries to Warsaw Province in July were 38.8 percent lower; to Lodz City Province, 28.0 percent; and to Katowice Province, 28.1 percent. On the other hand meat deliveries in the more agricultural provinces (Bielsk Podlaska, Ciechanow, Leszczyna, Lomza, Siedlce, Pilsk) were higher than a year ago--by up to 40 percent.

As regards the market supply of goods which attract the longest queues, the decline in their supply compared to July, 1980 in percent was as follows:

Fish and fish products	23.4
Cigarettes	8.0
Vodkas	25.9
Wines	40.2
Laundry soap	31.4
Detergents	19.7
Toilet soap	36.0

Another negative phenomenon which grew worse in July was the mass purchases of non-food manufactured goods. Their sales increased by 23.5 percent compared with the same period last year. This increase took place chiefly at the expense of a decline in trade inventories.

Foreign trade in July drastically diminished in volume. Exports were 24.3 percent lower, but imports were 20.0 percent [higher]. This worsened the already unusually difficult balance-of-payments situation.

It is difficult to identify at least one field in which the halting of tendencies toward decline can be established on the basis of concrete data. Many people are asking themselves how long will this situation persist. It is not possible to answer this question solely on the basis of old statistics. However, in July the government program for stabilization was finally adopted, and the weather and harvesting operations so far offer realistic prospects for bumper harvests. Consistent action within the framework of the structural changes, voluntary work on 8 free Saturdays in the extractive and raw materials industries--in accordance with the appeal by the Solidarity KKP [National Consultative Commission], and rewarding the labor of farmers represent factors which can put a halt to the negative tendencies continuing in the economy. At the same time, these factors provide the minimum conditions for the economic reform.

All this, however, does not change the fact that the next few months will still be estremely difficult, because the effects of these positive actions will not

manifest themselves immediately. This is true especially considering that these factors are very strongly linked to the socio-political situation and their effect may be forfeited if that situation is exacerbated. Let us hope, though, that common sense will win and that by year end we shall be able to record the first positive manifestations in the economy.

1386
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ROTAR INTERVIEWED ON DEFICIT IN FOREIGN TRADE

Belgrade NEDELJNE INFORMATIVNE NOVINE in Serbo-Croatian No 1597, 9 Aug 81 pp 10-11

[Interview with Metod Rotar, federal secretary for foreign trade, by Scepan Rabrenovic in Belgrade: "Eight Offers Carry Less Weight Than One"; date not specified]

[Text] The large Federal Government Headquarters in New Belgrade no longer shows signs of haste, there are no more meetings--the season of annual vacations has begun. Only the duty officers are to be found in the offices, and the members of the Federal Executive Council, their deputies, assistant secretaries, advisers and numerous personnel have been replaced by workers renovating the building. And a week ago, when this interview was conducted, the corridors and offices echoed with the voices of painters, carpenters and plumbers, so that we were hard put to find a quiet corner. (It was quite by accident that it was called the "Slovenian Lounge.")

The subject of our interview was Metod Rotar, federal secretary for foreign trade and member of the Federal Executive Council. Nor is this an accident: some of our numerous economic troubles are being explained by the unfavorable balance in foreign trade. But let us introduce him to you: Metod Rotar is not a "career politician"; before being elected to this position he was the head man at the Bank of Ljubljana, and before that he spent 20 years working at Iskra. He says that he will go back into business after his term of office expires.

Metod Rotar begins by telling us the figures on visible foreign trade to date:

"Up through 27 July total exports were up $1 billion over the same period of last year. Exports were up 21 percent, which is at the level of the plan. Already we have come close to a figure for the value of exports close to $6 billion."

And the Government Will Be Involved

"Over that same period imports rose 19 percent, so that visible imports are about $700 million higher than we planned. That gives us a trade deficit with the convertible area of between approximately $800 and $900 million larger than

we planned for this period. The largest rate of increase was for imports of noncapital producers' goods (repromaterijal), which in and of itself might be a good thing, since work organizations, I assume, have been building up inventories, so that in the third and fourth quarter there should be a growth of production on the basis of those imports."

[Question] Does this mean that the payments deficit could be larger this year than was planned?

[Answer] We are doing everything now to provide additional incentives for exports, since the trends so far this year have compelled us to do so. We have reached an agreement with the Economic Chamber of Yugoslavia on this matter, and I think that a promising approach has been taken.

I hope that this agreement will yield results and that by the end of the year, in the time that remains, we will be able to export between $3.5 and $4 billion worth of goods to the convertible market.

We ought to take more advantage of the possibility offered by the markets of the developing countries. In the first half of this year we exported $850 million worth of goods to those markets, but by the end of the year we could export goods worth another $1 billion or more. We should first provide greater incentives and motivation in terms of income to our large organizations organizing work on capital investment projects abroad to increase incorporation of our materials and equipment into those projects. Second, we should see by what means and in what manner we might encourage joint efforts. I must, of course, say at once that in this we dare not "play for fun," but will have to "play for money," and that means that we would have to have firm obligations guaranteed by the banks so that matters do not stop at the point of a promise of cooperation.

Beyond that, we also should change the way in which our trade policy has been conducted up to now and also the activity of the government itself. It is not enough for us merely to send delegations or to maintain routine relations through joint committees, but we must be more directly involved in events as they occur rather than in making extensive preparations and writing up high-sounding platforms. Contacts should be made on the basis of specific transactions, and the government itself should be involved. Some might say of us that now the government is getting involved in business, but just look at what is being done by ministries of the government in France, Great Britain or the Federal Republic of Germany.... They are constantly and directly involved in individual transactions. The situation has changed. Take, for example, the petroleum market: At a time when the differences between fixed arrangements is somewhere about 20 percent, many petroleum-producing countries are interested in stabilizing their deliveries. That is why they are looking for arrangements, for transactions whereby we would be able to pay for petroleum purchased from them. The world is now adapting to the new situation, and we ought to see what we can do, and in all of this there is also a need for help from the government.

Following Conclusion of an Agreement

[Question] To what extent have "disagreements" with the countries of the European Economic Community tended to reduce exports to the convertible area?

[Answer] There are some things I really cannot understand--there is no other or better comment I can make on this. Our ties to Western technology are lasting ones, that is where they purchased our technology, many noncapital industrial goods are also bound up with that technology, perhaps in a larger amount than was necessary, and the bulk of our indebtedness is in the West, and we must also conduct a large portion of our business with that region. Through our exports we must build up a capability for making payments in the West. However, we have large problems and large complications following Greece's entry into the European Economic Community. Nor is that the only reason. After all, how is one to explain to Yugoslavs after an agreement has been concluded with that community that was supposed to stabilize our economic relations that the first consequence of that agreement is an increasingly large payments deficit? Yet it is only 7 months since the agreement was concluded. I am dissatisfied with that relationship, I can't improve on that as a comment.

[Question] At the same time the people in the West are still objecting that we are establishing more and more economic ties with the East.

[Answer] The Western press has recently been harping on that, and various real political speculations have even been devised in that connection. But I do not want to get in a debate with them. Our commitments are well known: We are a nonaligned country, and that means that we cooperate and trade with everyone. It is also in our economic interest to develop full-fledged economic cooperation with socialist countries as well. This is so natural that I am amazed that anyone should question such a proposition. These countries are our neighbors, and what is more natural than to cooperate with one's neighbors? We also have here the market of the Soviet Union, which is as large as any market there is, we have no alternative to that market, and we must have a permanent presence on it.

It is indispensable that we be present on all markets, it is just a question of proportions. It is not true that we are fleeing the West--wherever goods find a market, that is where they go. There are many methods, some of them well known and others not well known, for applying in practice what we refer to as protectionism.

[Question] Nevertheless, exports to the East do not have equal weight with exports to the convertible area.

[Answer] I would not agree with that. I don't know what is the basis for your drawing such a conclusion.

[Question] We recall the discussions in the Yugoslav Assembly conducted concerning the payments-balance and exchange-balance positions of the republics and provinces. The clearing dollar does not have the importance of the convertible dollar.

[Answer] The clearing dollar can be used only to purchase goods in the clearing area. That is the first thing. Second, if we want to purchase a large portion of noncapital producers' goods and equipment in the convertible area, then we will need convertible currencies for that purpose.

Building Rather Than Prohibiting

[Question] To "get away" a bit from concrete problems. One gets the impression, and comments along this line come primarily from the economy, that our foreign trade policy is essentially restrictive.

[Answer] I am very sorry if that is the prevailing conviction. Since I have been doing this job, and it was the case even previous to that, I have been committing myself to a policy of stimulating exports, and I have depended on restrictions only when the incentives did not yield definite results, and even then as an extreme measure.

[Question] It is in this area, many people say, that economic laws are least operative. Moreover, there are also "current" obstacles: In order to increase its export capabilities a work organization may need at times to import just one machine to eliminate what is referred to as a "bottleneck" in production, yet that import transaction is not approved. Or, for example, when it is a question of importing small amounts of noncapital producers' goods.

[Answer] If one gets such an impression, then the reason is first of all that every restrictive measure, even the smallest one, arouses more public interest. But I do not at all agree with the judgment that our policy is restrictive in this field. If that were the case, then our policy could not be given a passing grade; it would mean that we are not capable of building, but only of prohibiting. It takes more knowledge to build, more courage and more risks are involved, but prohibitions require only someone's support. The orientation of the Federal Executive Council, especially in recent years, has been to stimulate production in its policy, and that means production for export as well.

[Question] When one speaks about a restrictive policy in this field, then the reference is among other things to the Law on Foreign Exchange Transactions and Credit Relations With Foreign Countries.

[Answer] That would not be my judgment. As you know, I am involved in the work of a commission which is supposed to answer the question of whether that law is acting as a disincentive, that is, is having a disintegrative effect concerning foreign economic relations. I would not be able to say anything definite about this at this point, since it has been agreed within all three federal social councils that assessments are not to be made until the job is completed.

[Question] We are aware that such an agreement is in force, but you yourself know that it has already been violated by some.

[Answer] That is true, but another caution has been issued for assessments not to be made until the job is completed. All I can say to you now is that I believe that the agreement will be constructive. Perhaps that is not a sufficient

statement, but I am persuaded that after the sessions on Brioni it has been confirmed that the problems are no longer black and white and that many issues will be reduced not just to actual provisions of that law, but to the practice which has been introduced. But let us leave that topic for now.

[Question] The Yugoslav State Presidency has also issued the judgment that the "level of unity of the domestic market is not satisfactory." If that is the case within the country, then there can be no unified effort abroad. Meanwhile other assessments indicate that that law bears quite a bit of the blame for this.

[Answer] Eight offers carry less weight than one, that is certain. We ought to have a Yugoslav offer and to take the most optimum advantage of what we have, we should not be exporting raw materials, but manufactures, manufactures, moreover, in the highest phases of processing. It seems to me that people are becoming more aware of this necessity and that an intervention by the Yugoslav State Presidency in the most effective way would create the conditions for qualitative changes. The results will show whether those changes have been compelled under pressure or we are dealing with a change in the way of thinking and pattern of behavior. By the end of this 5-year plan we ought to create tolerable conditions in the trade balance so that we are able to trade with all countries of the world, since that is demanded by the interests of our economy, so that we can keep pace with technological development and achieve a growth which will guarantee us jobs for our young trained people.

7045
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KOSOVO TRADE UNION PRESIDENT INTERVIEWED

Belgrade RAD in Serbo-Croatian No 35, 28 Aug 81 p 4

[Text] It has not been 2 months since Sefcet Jasari was elected president of the Council of the League of Trade Unions of Kosovo, yet in conversation with him one does not get the impression that he is new to that duty.

It is as if his 11-year absence (while he was an official in agencies of the League of Trade Unions of Serbia and of Yugoslavia in Belgrade) had not separated him from the conditions and difficulties in the province. Nor did the summer vacation period prevent him from quickly "taking things in hand": this year he simply did not leave his post. Neither was he disturbed by the fact that he was left essentially alone at the Council Presidium of the League of Trade Unions of Kosovo, for five of the total seven members professionally engaged at the Presidium recently left to assume new duties.

With all that, Sefcet Jasari must complete tasks that had already been begun at the Council Presidium of the League of Trade Unions of Yugoslavia. In recent days he was also a guest visiting the trade unions of Finland, since there was no reason to cancel the previously arranged visit.

[Question] I hear that despite all your responsibilities, you frequently visit labor organizations....

[Answer] That is my first and most important obligation. Every week without exception I have at least one conversation with workers of some collective, and at least one conversation with activists in some opstina organization of the League of Trade Unions.

[Question] In that way you avoid losing contact with the base?

[Answer] That is not all. That is the only place where I can find out what the trade union must strive for and advocate first of all, and which topics dare not be avoided. For example, a few days ago I talked with cultural workers at Kosovska Mitrovica. There were more than 1,000 of them. When I finished, they asked questions. Thirty teachers asked for the floor, and their questions ranged from hostile ones at one end of the scale to ones that showed total ignorance on the other. After that conversation, I told the comrades that on the basis of these questions, I could prepare an excellent action program for the Trade Union Council of Kosovska Mitrovica. I still think that, and I am even more convinced of it.

[Question] Since we are already talking about cultural workers.... There is an impression that trade union organizations in educational, scientific and cultural institutions receive no attention at all. Would you comment?

[Answer] In the future we will concern ourselves at least as much with the work of the trade unions in those areas as with the trade union efforts in production organizations of associated labor. There an ideological and political differentiation will continue to prevail, for there are still hostile activities, passivity and opportunism....

[Question] Ideological and political differentiation has not followed the desired course. What are the possibilities for speeding up that process?

[Answer] We will continue to expand the front of that action. Specifically, we are conscious that we will not have a completely favorable political situation until the economic situation becomes much better. And then, the economic situation cannot be corrected without an entirely new attitude toward work, toward self-management responsibilities, toward all the functions that stem from the election to responsible functions. The trade union is insisting on that most of all.

[Question] How does that look in practice?

[Answer] We are still making a great deal of use of analyses of 6-month reports of operations as a discussion subject at meetings of basic organizations of trade unions on all aspects of production, self-management, and responsibility. We usually use the following procedure: first the appropriate services inform the workers well concerning all important questions, and then the workers talk. The meeting cannot end until tasks are approved for everyone, from the direct producer to the general director, or president of the operations council. We insist particularly on the approval of such conclusions.

[Question] The success of such an orientation in the work of the trade unions depends largely on the people that are at the head of the trade union organizations....

[Answer] Whoever does not contribute to the implementation of the functions of the trade unions will have to go. In the future we will be forced to make a connection between activity and the results of that activity. We can no longer tolerate the absurd situation in which the trade union organization works well, while at the same time the operational results of the collective are poor, distribution of earnings does not stimulate production, there are many unjustified absences from work, etc. How can work be good when the results of that labor are poor?!

[Question] What have the meetings accomplished so far?

[Answer] Although in some collectives and even in entire opstinas the production plans have not been fulfilled, the physical volume of production in the province has not lagged behind last year's totals for the same period. It is even somewhat higher. When, however, qualitative elements of operation such as labor productivity, economy of operation and profitability are considered, things are not

going well. Why not? Distribution is a separate problem. The trade union will deal with that subject first of all. The organization of work is no better, and finally, there are many absences from work.

[Question] At the Trepca complex workers are complaining that many young workers have a bad attitude toward their work obligations. How do you explain that?

[Answer] I will have to see it. But one thing is certain: at Trepca there are plants with extremely difficult working conditions. They are practically unbearable. Young people accept employment in such conditions very reluctantly. But there are certainly other reasons as well.

[Question] For a long time still, employment will be one of the greatest problems in Kosovo. There has been much talk about possible solutions, such as coordinating education with economic needs, developing agriculture, making greater investments in processing operations that would employ more workers....

[Answer] When we talk about accommodating personnel needs to the economy, we must stress that frequently the economy itself is not in a position to say what sort of trained personnel it needs. Therefore, incomparably more caution must be used in that aspect of planning. The schools and university departments are not always to blame. And another thing: educational institutions in Kosovo must look at the needs of the Kosovo economy as well as the needs of the economies of other republics and the province of Vojvodina. That is of special importance to Kosovo, since for a long time yet we will have to count on employing a significant number of our workers outside the province.

[Question] Does that mean that you think that is better that the workers go to the places of employment, rather than the other way around?

[Answer] No, I think that it is better to establish places of employment where there are workers. Perhaps someone will think that I say that because I am only considering the interests of Kosovo, but I really think that is right. The most realistic approach, however, would be a combination where workers would go to the places of employment, while other, new places of employment are being opened in places that have many unemployed workers.

[Question] What about investments in processing facilities? Who knows how many times it has been said that we have built too many processing plants in the country, while we ignored the raw material base. Now the opposite is being said about Kosovo.

[Answer] The situation you are speaking about is not typical for Kosovo. On the contrary, here a completely opposite situation is to be found. With a new orientation, we will not only insure many more jobs, but we will also create opportunities for more rapid employment of women. Until now they have been in an unequal situation: in mining and metallurgy, the branches of industry that are developing most rapidly here, there was no place for women. And yet how much could be said about the meaning for Kosovo of having more employed women, what that would mean for their emancipation, for the upbringing of children and youth....

[Question] When you spoke of low productivity, poor economy of operation and poor profitability, you mentioned poor organization of work as one of the causes. Does that mean that better organization would reveal reserves for employing more workers?

[Answer] Of course! The trade union will prepare a voluminous analysis that will show all the reserves that are concealed in already built facilities. For example, we seriously are considering shortening the working time in plants with particularly difficult working conditions, which would make possible a fourth shift and naturally, would employ new workers.

[Question] Apparently the trade union is in a real offensive.

[Answer] There is much to do. I would again stress the meaning of the activities of trade union organizations in schools and universities. Many cultural workers know nothing about either the Trepca or the Obilic complexes, and those who have been there at least once will not stress that fact. Thus, let the professors and their students and pupils go to the factories more often.

[Question] Once again we must note that, apparently, you attribute great importance to direct contact with the so-called common man?

[Answer] The enemy would hope precisely that we solve our problems now in some other way, but we must rely on the working class, on self-management, and on the type of self-management that will assure greater effectiveness.

12131
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BRIEFS

ENERGY, FOOD PLANS FOR 1982--Next year, according to the preliminary working version of the draft resolution of the Social Development Plan submitted on 15 September to SFRY assembly delegates, the social product should increase by about three percent, industrial and agricultural production about four percent, exports of goods and services about seven percent, and imports should be held to this year's level. Also planned is an increase in employment of two percent and of labor productivity of one percent. Petroleum imports would be 10,375,000 tons, oil derivative imports 460,000 tons, while domestic production of oil and gas would be higher than this year. Wheat production is planned at about 5.6 million tons, and corn production at 10 million tons. More sugar beets and oilseed crops are to be planted in order to produce about 880,000 tons of sugar and about 250,000 tons of edible oils; also planned is the production of 1,335,000 tons of meat and about 4,550,000,000 liters of milk. At the same time a reduction in investments is planned: 3.5 percent in fixed assets compared to this year. The share of such assets in the social product will be reduced and only economic projects for which rapid development has been agreed on will be built. [Excerpt] [Belgrade BORBA in Serbo-Croatian 16 Sep 81 p 4]

RAILROAD CARS--There are a total of 47,000 domestic freight cars operating on the 10,000 kilometers of track in our country, which is at least 8,000 to 10,000 fewer than is needed by our economy for the regular transport of goods. Nevertheless, Yugoslav railroad freight cars are not off-loaded Saturdays, Sundays, or holidays. According to the latest facts, freight cars are more and more frequently remaining idle even on working days (i.e. 50, 60, even 80 hours on the average, instead of the 6 hours according to the "norm" at present). Foreign freight cars bringing imported goods are also held (an average of 13 days) here which will cost our society over 1.5 billion foreign exchange dinars this year. Added to this are the penalties work organizations pay to the railroads for holding cars over the "norm" time (for every hour over the "norm" up to 230 dinars per car has been paid up to now). Work organizations have paid all this, yet cars continue to be..."warehouses." But the biggest damage is imposed on those enterprises which are waiting for deliveries of raw materials, coal, oil, and semi-finished goods [in unloaded freight cars]. Not only work organizations are to blame for holding railroad cars, although their workers are often not adequately stimulated from a material viewpoint and loading and unloading is poorly organized. Railroad stations, also, are frequently not equipped with the machinery or track structure for fast loading and unloading. There are also not enough locomotives. In regard to the use of freight cars, the situation is so complicated that the FEC (Federal Executive Council) has been forced to introduce more order, discipline and responsibility by its latest decree on railroad freight transport, according to which high penalties will be paid for holding

freight cars over the deadline. But this decree alone cannot solve this problem which is a reflection of deeper problems and disorders both with the railroads and in the economy (inadequate interest in increasing income along with higher labor productivity, etc.). [Excerpt] [Belgrade KOMUNIST in Serbo-Croatian 11 Sep 81 p 3]

BOSNIAN-KOSOVO FIRMS--Representatives of the business councils of the "Vatrostalna" plant in Zenica and the "Feronikl" combine in Glogovac near Pristina signed a self-management agreement on long-term business and technical cooperation. The Zenica [refractory materials] plant [producing industrial furnaces, water-, cooling towers, etc.] is building thermal units valued at 30 million dinars in the "Feronikl" Combine and will undertake the complete refractory maintenance of these units. By the end of next year the combine should put its capacities into operation, with the production of about 12,000 tons of pure metals and 56,000 tons of ferronickel, largely for export. Present ore reserves in Glogovac and vicinity will make such production possible for the next 20 years. The Zenica plant will soon sigh a similar agreement with the "Feni" combine in Kavadarci [Macedonia]. Because of its use of "Feronikl" and other industrial capacities in Trepca and Obilic, the Zenica plant's work units will be headquartered in Glogovac. [Excerpt] [Sarajevo OSLOBODJENJE in Serbo-Croatian 10 Sep 81 p 1]

YUGOSLAV-IRANIAN TRADE--The joint protocol on expanding economic relations with Iran which was signed at the end of last week in Belgrade concluded four days of Yugoslav-Iranian discussions on economic cooperation. Most attention was given to possibilities for including our organizations in developing the agro-industrial sector in Iran. Special Iranian interest was expressed in cooperating in the field of agricultural machinery. Last year total commodity trade amounted to $146 million, and in the first 8 months of this year $166 million worth of goods was traded. By the end of the year total commodity trade is expected to be about $300 million. In 1982 economic cooperation between the two countries could reach a value of about $500 million. [Excerpt] [Belgrade PRIVREDNI PREGLED in Serbo-Croatian 19-21 Sep 81 p 9]

YUGOSLAV-EGYPTIAN TRADE--In the first 7 months of this year about $152 million in goods was traded ($100 million in Yugoslav exports and about $52 million in Yugoslav imports). This is considered quite good. The record volume of trade for all of last year was $215.7 million. By the end of 1981 trade is expected to be $180 million, or possibly $200 million in value. [Excerpt] [Belgrade PRIVREDNI PREGLED in Serbo-Croatian 10 Sep 81 p 1]

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8 October 1981